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CONTENTS

INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 28 Jun 1

RUSSIA INTERNATIONAL AFFAIRS

Paper on Premier's 'Extremely Successful' U.S. Visit *[IZVESTIYA 25 Jun]* 3
Efforts Needed To End 'Unevenness' in U.S. Ties *[ROSSIYSKAYA GAZETA 28 Jun]* 5
NATO Commander Starts Visit to Russia *[INTERFAX]* 5
Holds Talks With Soskovets *[ITAR-TASS]* 6
Further on Soskovets Meeting *[Moscow TV]* 6
Meets Yushenkov, Discusses Relations *[ITAR-TASS]* 6
Discusses Balkans With Kozyrev *[INTERFAX]* 7
Kozyrev Defends Decision on Partnership for Peace *[ITAR-TASS]* 7
Deputy Foreign Minister Views Partnership for Peace *[INTERFAX]* 7
Prospects of 'Partnership' with West Viewed *[KRASNAYA ZVEZDA 25 Jun]* 8
PRC's Qian Qichen Arrives 27 Jun *[ITAR-TASS]* 9
Meets With Kozyrev *[ITAR-TASS]* 9
Chinese Fishermen Detained, Fined for Illegal Fishing *[INTERFAX]* 10
Foreign Ministry Views Prospects for Conference on Korea *[ITAR-TASS]* 10
DPRK Nuclear Energy Official Explains Nuclear Program *[ITAR-TASS]* 10
New Council on Foreign Investment Set Up *[IZVESTIYA 25 Jun]* 11
Yerin in Switzerland for Antimafia Talks *[NOVAYA YEZHEDNEVNAYA GAZETA 25 Jun]* 11
Commander Interviewed on Brigade's Berlin Pullout *[NOVAYA YEZHEDNEVNAYA GAZETA 25 Jun]* 11
Politicians Upbeat on Pact With EU *[ROSSIYSKAYA GAZETA 28 Jun]* 12
Latvian Government Implicated in Illegal Oil Exports *[KOMSOMOLSKAYA PRAVDA 25 Jun]* 13
Russian Commander Views Situation on Tajik-Afghan Border *[Russian TV]* 13
Oslo Pressure Results in Withdrawal of Spitzbergen Rubles *[IZVESTIYA 25 Jun]* 13
Russia, Kazakhstan Target Illegal Narcotics *[KRASNAYA ZVEZDA 24 Jun]* 14
Churkin Says UN Forces May Leave Bosnia-Herzegovina *[INTERFAX]* 14
Greek Minister on Moscow's 'Stabilization' Role in Balkans *[ITAR-TASS]* 14
Duma Defense Chief Views Russia's Arms Trade Goals *[ITAR-TASS]* 15
Paper Refuses To Reveal Sources on Foreign Guns Deal *[NOVAYA YEZHEDNEVNAYA GAZETA 24 Jun]* 15
Kazimirov Says Russia, CSCE Have Same Goals in Karabakh *[INTERFAX]* 16
Deputy Foreign Minister Opposes Turkish Moves on Black Sea *[Moscow International]* 16
Indian Envoy on Importance of Upcoming Rao Visit *[ITAR-TASS]* 16
Credit Agreement Signed With Mexican Foreign Trade Bank *[ITAR-TASS]* 17
Unfinished Aircraft Carrier To Be Scrapped *[Moscow TV]* 17
Army Paper Interviews Swedish Naval Officer *[KRASNAYA ZVEZDA 24 Jun]* 17
Environment Not Expansion Drives Concern for Caspian *[ROSSIYSKAYA GAZETA 25 Jun]* 18

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin Opposes Shumeyko Call To Upgrade Parliament *[ITAR-TASS]* 19
Shakhray Says Elections Could Be Delayed *[INTERFAX]* 19
Shakhray: 'Police State' Possible Response To Crime *[INTERFAX]* 19
Filatov Comments on Reshuffling in Administration *[ITAR-TASS]* 19
Filatov Views Necessity of Anticrime Decree *[ITAR-TASS]* 20
Yeltsin Meets Agrarian Party Parliamentary Group *[ITAR-TASS]* 20
Further on Meeting *[INTERFAX]* 20

National-Democratic, Patriotic Forces Assembly Set Up *[SEGODNYA 28 Jun]* 21
Constitutional Court Protection Department Created *[INTERFAX]* 21
Security Council Functions, Tasks Viewed *[KRASNAYA ZVEZDA 28 Jun]* 21

Economic Issues

Yeltsin Assures Foreign Investors of Stability *[ITAR-TASS]* 23
Chernomyrdin on Measures To Encourage Foreign Investment *[ITAR-TASS]* 24
Shokhin on Concessions for Foreign Investors *[INTERFAX]* 24
Soskovets: Russia Needs Increased Foreign Investment *[INTERFAX]* 24
Economics Official Gives Figures on Foreign Investment *[INTERFAX]* 25
Gerashchenko Comments on Financial Policy *[Russian TV]* 25
Economics Minister Promises Tax Cuts 'Soon' *[Radio Rossii]* 25
Dubinin Says Hyperinflation 'Overcome' *[INTERFAX]* 25
Banking Fraud Attempt Reportedly Linked to LDPR *[SEGODNYA 28 Jun]* 26
Gazprom Buys Into Foreign Trade Bank *[IZVESTIYA 25 Jun]* 26
Approximately 1 Percent Reported Jobless *[ITAR-TASS]* 27

Military & Nuclear Issues

Spokesman Denies CW Information Concealed *[INTERFAX]* 27
Yeltsin Addresses Ceremony on Military Reform *[Moscow Radio]* 27
Defense Industry Production Slump Intensifies *[KRASNAYA ZVEZDA 25 Jun]* 28
Mir Cosmonauts Continue Mission *[ITAR-TASS]* 28

Federal Assembly

Upper House Okays Peacekeeping Force for Georgia *[ROSSIYSKAYA GAZETA 25 Jun]* 28
Duma Defense Official Urges More Arm Sales to China *[ITAR-TASS]* 29
Army Paper Views Breakdown of Duma Voting on Budget *[KRASNAYA ZVEZDA 25 Jun]* 29
Deputies Comment on Anticrime Edict *[TRUD 25 Jun]* 29
Federation Council Protests Latvian Citizenship Law *[ROSSIYSKAYA GAZETA 25 Jun]* 30
Committee Says Agricultural Situation 'Catastrophic' *[Moscow TV]* 31
Chubays Supports Duma Demands on Privatization *[ITAR-TASS]* 31
Duma Subcommittee Prepares Draft Law on Banks *[ITAR-TASS]* 31

Regional Affairs

No. Ossetia, Ingushetia Sign Refugee Return Agreement *[NEZAVISIMAYA GAZETA 28 Jun]* 32
Zhirinovskiy Accuses Governor of 'Antistate' Moves *[ITAR-TASS]* 32
Occupies Nizhniy Novgorod Governor's Office *[INTERFAX]* 33
Nemtsov Files Suit Against Zhirinovskiy *[ITAR-TASS]* 33
Shakhray Foresees Equal Rights for Regions, Republics *[INTERFAX]* 33
Shakhray Discusses Finances, Migration in Magadan *[Vladivostok Radio]* 34
Rybkin Favors More Fiscal 'Leeway' for Regions *[INTERFAX]* 34
Rybkin Stresses Russian Rights to Kuril Islands *[ITAR-TASS]* 35
Defense Ministry Owes Pacific Fleet R70 Billion *[Radio Rossii]* 35
Tatar Defense Enterprises on Reduced Schedule *[KRASNAYA ZVEZDA 25 Jun]* 35
Commission Orders Debt Payment to Urals Arms Makers *[KRASNAYA ZVEZDA 25 Jun]* 35
Accident Reported in Radioactive Waste Depository *[ITAR-TASS]* 36
Vladivostok Ship Repair Plant in Financial Straits *[KRASNAYA ZVEZDA 24 Jun]* 36

UKRAINE

International Affairs

Russian Expert Considers Initial Election Results *[INTERFAX]* 37
France To Assist in Disposing of Nuclear Waste *[HOLOS UKRAYINY 24 Jun]* 37

National Affairs

Current Election Results Show Kravchuk Leading Kuchma 37
Kravchuk in 6-Point Lead Over Kuchma *[UNIAN]* 37
Kravchuk Leads by 2 Million Votes *[Moscow TV]* 37
Kravchuk Holds Slim Lead Over Kuchma *[UNIAN]* 38
Results in Volyn, Sumy, Khmelnistkiy Oblasts *[UNIAN]* 38
Kravchuk Leads in 14 Oblasts, Kuchma in 7 *[UNIAN]* 38
Kravchuk Wins 40 Percent, Kuchma 35 Percent of Rukh Votes *[ITAR-TASS]* 39
Kuchma To Contest Results, Alleges 'Vote-Rigging' *[AFP]* 39
Kravchuk, Kuchma Comment After Voting *[INTERFAX]* 39
Rukh Leader Denies 'Left-Wing' Forces Win *[UNIAR]* 40
Election Commission Postpones Poll Result Briefing *[INTERFAX]* 40
Kravchuk, Marchuk Favor Special Measures To Combat Crime *[HOLOS UKRAYINY 24 Jun]* ... 40
Meshkov Supporters Picket Crimean Supreme Council *[UNIAN]* 41
Crimea's Saburov Notes More Separatist Sentiment *[KIYEVSKIYE VEDOMOSTI 24 Jun]* 41
Crimean Parliament Attempts To Curb Meshkov's Powers *[NEZAVISIMAYA GAZETA 28 Jun]* . 41
Leader Views Crimean Legislature Work *[KRYMSKIYE IZVESTIYA 17 Jun]* 42
Cabinet Creates Prime Minister's Secretariat *[URYADOVYY KURYER 25 Jun]* 43
Parliamentary Speaker Expresses Political Views *[HOLOS UKRAYINY 25 Jun]* 43
RPC Chief Views Rift With Russia Bloc *[KRYMSKIYE IZVESTIYA 21 Jun]* 43
Special-Purpose Battalion Said Undernourished, Underpaid *[MOLOD UKRAYINY 24 Jun]* 45
Future of Part-Built Aircraft Carrier Under Discussion *[IZVESTIYA 28 Jun]* 46
Joint Venture Recycling Obsolete Munitions *[UNIAR]* 46
Edict Urges Transfer of Hard Currency to Banks *[ZA VILNU UKRAYINU 22 Jun]* 46
Plan To Repay Gas Debt to Turkmenistan Viewed *[POST-POSTUP 23 Jun]* 47
61 Percent of District Voters Against Nuclear Station *[INTERFAX]* 48

WESTERN REGION

Belarus

Lukashenko Comments on First-Round Election Victory *[INTERFAX]* 49
Says Voters Lack Confidence in Government *[INTERFAX]* 49
Pledges To Remove Top Officials *[ITAR-TASS]* 49
New Political Party To Support Lukashenko *[INTERFAX]* 50
Experts Review Election Returns, Second Round *[RESPUBLIKA 25 Jun]* 50
Party of All-Belarusian Unity, Accord Established *[Minsk Radio]* 51
Defense Minister Views Situation in Armed Forces *[RESPUBLIKA 25 Jun]* 51

Moldova

Russian Intelligence Service Chief Visits Chisinau *[BASAPRESS]* 52
Cooperation Accord Signed *[BASAPRESS]* 52
Dniester Officers Allegedly To Train Crimean Soldiers *[BASAPRESS]* 53
Dniester's Smirnov Views Peace Talks, 14th Army Pullout *[BASAPRESS]* 53
Says Army 'Not Interested' in Resolving Conflict
[NOVAYA YEZHEDNEVNAYA GAZETA 25 Jun] 53
Dniester Parliament Chief Opposes 14th Army Pullout *[ITAR-TASS]* 53
Snegur Addresses Parliament on Government Program *[BASAPRESS]* 54
Government Passes Program on 1994-97 Activity *[BASAPRESS]* 54
PSDM Leader Reviews Current Socioeconomic Situation *[BASAPRESS]* 54
Smugglers Caught Trying To Sell Radioactive Substance *[Moscow Radio]* 55
Dniester Spokesman Favors Cooperation With Russia *[ITAR-TASS]* 55
Tiraspol, Russian Regional Banks Cooperate *[BASAPRESS]* 55

CENTRAL ASIA

Kazakhstan

Nazarbayev Dissolves State Coal Company *[Almaty Radio]* 56

Ethnic Kazakhs Return From Mongolia *[Almaty Radio]* 56
Text of Government Anticrisis Program *[KAZTAG]* 56

Kyrgyzstan

Akayev Decree Establishes New Presidential Administration *[Bishkek Radio]* 58
'Justified and Growing Concern' Over PRC Nuclear Tests
[NOVAYA YEZHEDNEVNAYA GAZETA 25 Jun] 58

Tajikistan

Russian Border Patrol Fired on From Afghan Territory *[ITAR-TASS]* 59
Tehran Communique Urges Cease-Fire; Next Talks in Islamabad *[Tehran Radio]* 59
No Accord in Government-Opposition Talks; Terrorist Acts *[INTERFAX]* 59
Opposition Denies Terrorism Against Russian Servicemen *[INTERFAX]* 60
Concept of Agricultural Development To Be Revised *[Dushanbe Radio]* 60

Uzbekistan

Karimov Appoints New Deputy Premier *[Tashkent Radio]* 61
President Comments on Visit to Turkey *[INTERFAX]* 61

CAUCASUS

Armenia

Aide Calls on Karabakh Leader To Attend Talks *[ITAR-TASS]* 62
Kazimirov 'Satisfied' With Talks in Yerevan, Baku
[ARAGIL ELECTRONIC NEWS BULLETIN] 62
Leaves for Talks in Ankara *[ITAR-TASS]* 62
Yerevan Reports Cease-Fire Violations *[Yerevan Radio]* 63
Karabakh Defense HQ Cited on Azerbaijani Shelling
[ARAGIL ELECTRONIC NEWS BULLETIN] 63
Agreement Signed With Russia on Joint Oil Prospecting *[Yerevan Radio]* 63

Azerbaijan

Aliyev Supports Inviting Iran, Turkey to Talks *[INTERFAX]* 63
Kazimirov Seeks Talks With Turkey, Iran on Karabakh *[TURAN]* 64
Continues Mediation Efforts in Baku *[TURAN]* 64
Killing of 15 Kurd-Yezidis in Armenia Reported *[TURAN]* 65
Opposition Leaders Return From U.S. Trip *[TURAN]* 65

Georgia

Shevardnadze Discusses Abkhazia, Ossetia Settlement *[Tbilisi Radio]* 65
Peacekeepers Enter Abkhazia 'Without Incidents' *[INTERFAX]* 67
Shevardnadze Makes Changes in Defense Ministry *[Tbilisi TV]* 67
Gas Imports Reduced Due to Nonpayments *[Tbilisi Radio]* 67
Preliminary Talks on Accord With EU *[Tbilisi TV]* 68
Communist Party Holds Congress; Member Dies *[INTERFAX]* 68
Communist Party Elects First Secretary *[ITAR-TASS]* 68
Paper Publishes Law on Parliamentary Factions *[SAKARTVELOS RESPUBLIKA 16 Jun]* 68

BALTIC STATES

Estonia

President Postpones Decision on Defense Minister *[BNS]* 70
CSCE Mission To Extend Mandate by 6 Months *[ETA]* 70
Foreign Trade Deficit Declines in May *[BNS]* 70
New 'Liberals' Party Registered *[ETA]* 71

Latvia

President, Government To Review Citizenship Law *[RIA]* 71
President To Announce Stand 28 Jun *[BNS]* 71
Citizenship Bill To Be Discussed at European Council *[Riga Radio]* 71

Lithuania

Landsbergis on Military Transit Agreement With Russia *[ELTA]* 71
Armed Forces Spring Conscription Campaign Detailed *[BNS]* 72
Preliminary Free Trade Accord With EU Signed in Brussels *[BNS]* 72
Opinion Poll Shows Loss of Support for Leaders *[BNS]* 72
Daily Newspaper TIESA To Change Name to DIENA *[BNS]* 72
Homeland Union Delivers Letter to President on Selling Land *[ELTA]* 73

ITAR-TASS Carries Press Review for 28 Jun

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["Press Review"—ITAR-TASS headline]

[Text] Moscow June 28 TASS—ROSSIYSKAYA GAZETA carries remarks by Police Colonel-General Mikhail Yegorov, first deputy interior minister and head of the ministry's main department for combatting organised crime, in connection with the presidential decree "On Urgent Measures to Protect the Population from Banditry and Other Manifestations of Organised Crime". The decree took effect on Monday.

Yegorov said that more than 200 well-organised and heavily armed criminal groups operate now in Moscow alone. Criminal groups commit 1,500 crimes in Russia every month. He said rejection of the presidential decree by many officials and politicians is accounted for by the fact that they are businessmen themselves and it would be disadvantageous to them if law enforcement agencies get access to commercial information and, what is most important, would be able to trace the tortuous ways their money travels through.

Corruption in close conjunction with organised crime has penetrated all spheres of state administration, the Interior Ministry spokesman stated. He said that in 1993 alone police discharged more than 500 operatives who collaborated with criminal groups, selling day-to-day information. There were even personnel members who together with bandits were involved in murders. Criminal proceedings were instituted against them and they were dismissed from internal affairs agencies. Several high officials were arrested in Vladimir region and Komi Republic.

ROSSIYSKAYA GAZETA gives the opinion of Issa Kostoyev, chairman of the federal council committee for constitutional legislation and court and legal matters, that the decree runs counter to the Constitution, the Criminal Procedure Code, the Law on Enterprises and Entrepreneurial Activities, and the Law on Banks and Banking Activities. As a result, innocent people may be affected.

NOVAYA YEZHEDNEVNAYA GAZETA (NEW DAILY NEWSPAPER), referring to statements by spokesmen of the Russian Interior Ministry, writes that "no cardinal changes, no sweeping round-ups or searches (in view of the entering into force of the above-mentioned decree—note by ITAR-TASS) are planned. Simply, 'it will be easier for police to act'.

"Do you think that we were looking forward to the decree as a starting pistol signal? We put gangs into prison and we shall continue to do so. The decree is only of some help in this process," Gennadiy Chebotarev, first deputy head of the ministry's main department for combatting organised crime, told the newspaper.

KRASNAYA ZVEZDA (RED STAR) carries an interview with Valeriy Manilov, deputy secretary of the Russian Federation Security Council, who believes that the following levels of security exist: "The security of the individual, the security of society, the security of the state. But still the safety of the individual is most important and is the point of departure".

ROSSIYSKIYE VESTI interviewed Oleg Gaydanov, deputy prosecutor- general of the Russian Federation, who told the newspaper: "The presidential decree dated June 14, I should say, is viewed in the prosecutor's office in varied ways, too. Some measures provided for in the decree really run counter to the current legislation. But one must realise that the problems of combatting crime are now uppermost in the minds of people in Russia and worry them more than any other one".

NEZAVISIMAYA GAZETA runs an interview with two candidates for the Ukrainian presidency—the incumbent President Leonid Kravchuk and ex-Premier Leonid Kuchma.

"I am convinced that whoever becomes a president of Ukraine he, and together with him the whole of Ukraine, will always be in a hard situation if he would fail to proceed from the premise that relations with Russia should have a special status, considering the past and the future ..." Kravchuk told the newspaper.

"If we learned to respect each other, then 70 per cent of our problems would have been resolved. Therefore relations with Russia are the most important matter, the centerpiece in our policy", Kravchuk said.

Kuchma stated, for his part: "I have believed and continue to believe that we have many common interests on the territory of the former Soviet Union. As far as trips abroad are concerned, one should travel and have contacts with those countries which want that".

Touching upon the Black Sea Fleet issue, Kuchma emphasised: "The problem, to my mind, has long been resolved by the present government. One should come to see what the solution is. We really need to undo this Black Sea knot. Otherwise, someone will always play this card in relations between Ukraine and Russia".

NEZAVISIMAYA GAZETA reports that "the military collegium of the Russian Federation Supreme Court has referred an application from former Soviet Deputy Minister of Defence Valentin Varennikov to the Russian prosecutor-general's office for the institution of criminal proceedings in connection with the fact of 'the break-up of the USSR'. Varennikov's defence lawyer Dmitriy Shteynberg, who announced this, pointed out that in accordance with law the prosecutor's office should verify the application and decide on or deny the institution of criminal proceedings". Varennikov was a defendant at the coup plotters' trial.

PRAVDA writes that "now, just as two years ago, the question of Lithuanian investigators' possible taking of

testimony from former Soviet President Mikhail Gorbachev has re-emerged. They are convinced, the newspaper RESPUBLIKA reported, that Gorbachev was well informed of a conspiracy being prepared in Lithuania and did not stand aloof from the developments'. Referring to well-informed sources, the newspaper maintains that 'an official charge against Gorbachev may be formulated in the coming days'".

ROSSIYSKIYE VESTI, referring to the opinion of Vice-Premier Aleksandr Zaveryukha, writes that gross production of grain in Russia this year is expected to amount to 90-95 million tonnes, which will make it possible not to purchase grain abroad.

TRUD carries an article by Yegor Gaydar, leader of Russia's Democratic Choice Party, who writes: "We are for a party of clean hands. This is what all politicians say. But it seems to me that we have real grounds to say that. At all events, I do not know who from among our active workers was accused of corruption if only once.

"Those democratic politicians whose reputation was not impeccable, quit Russia's Choice or from the very outset were members of other parties. On the other hand, our party is supported by those who are known as decent people, who did not pursue big money and high positions and who were even ready to go to prison for their convictions."

TRUD carries in interview with Ranendra Sena, the Indian ambassador to the Russian Federation, who said "We should not limit our relations to trade. It is essential to develop lasting and mutually beneficial partnership, establishing co-production, combining technological resources, creating common managerial structures and studying the market."

KRASNAYA ZVEZDA runs an interview with Admiral of the Fleet Ivan Kapitanets, who points out: "We intend to uphold the interests of the fleet through the Federal Assembly. Our task is to convince the deputies, government and president that fleet expenditure should be separated from the all-budget one and turn it into a separate purpose-oriented item. A state programme should be worked out for the development of the fleet 15-20 years ahead. Without that, the fleet would not simply survive".

PRAVDA carries a statement by the State Duma group of the Communist Party of the Russian Federation, on the 1994 budget issue. The statement reads as follows: "The members of the Communist Party group in the state Duma believe that the 1994 draft budget submitted by the government, even after the introduction of some amendments to it, firstly, does not meet the interests of the people and the country. Secondly, it does not promote the country's getting out of the economic crisis and, thirdly, it has no clear priorities and is not aimed at providing the social protection of the population or strengthening the country's defence capacity".

Paper on Premier's 'Extremely Successful' U.S. Visit

PM2706132794 Moscow IZVESTIYA in Russian 25 Jun 94 pp 1, 4

[Article by Vladimir Nadein: "Premier Chernomyrdin's Visit to the United States Went Even Better Than Expected"]

[Text] Washington—On completing the main, Washington section of his visit to the United states, Russian Prime Minister Viktor Chernomyrdin described it as extremely successful, and the figures bear out this assessment.

The Visit in Figures

$400 million is the cost of the joint work on a space station. U.S. Vice President Al Gore said at a press conference on Thursday that Russian participation will make the project "better, cheaper, and quicker." Stressing another aspect, Viktor Chernomyrdin said that Russians "are not doing anyone favors," inasmuch as we have managed to get a decent price for our endeavors. But the main point clearly is that money to keep our space industry as a going concern will continue to come in from the United States.

The overall cost of the project, according to the pessimists, is $30 billion. The pessimists in the House of Representatives numbered 215—that's a pretty large number, but it was one less than the optimists, and that proved sufficient for the project to start to implemented.

$820 million is the promised and repromised money for systemic transformations which was allocated Russia in Tokyo one year ago, but it has all been deferred because of inflation and delays with reforms. The World Bank is now granting the money and promises to allocate even more—all of it, of course, has to be repaid.

The IMF has allocated $300 for highway repairs, $200 million for the development of Russian banks, $240 million for private farms, and $80 million for measures connected with land reform. Is it necessary to remind people that the IMF—a purely commercial organization—grants money for projects which it regards as promising and will recover it all with interest—by hook or by crook.

These are all sizable figures, but they are not the biggest. That comes next.

$9 billion and 10 Affable Jews

The Russian premier began his stay in Washington with a problem that he had never dealt with in his life and ended it with a matter that he has dealt with throughout his life. It is rare occurrence when such diverse questions are so closely linked.

The premier began his visit with a meeting with leaders of American Jewry. This happened immediately after his arrival—this meeting, which was certainly scheduled in advance, was not announced on the itinerary of the visit and was known to only a very restricted circle of people in the embassy.

During the course of the 90-minute meeting the 10 delegates from the National Conference on Soviet Jewry asked the head of government the most varied questions connected with the emigration of fellow-Jews who want to leave Russia and with ensuring a decent life for those who wish to remain there.

Viktor Chernomyrdin showed patience, gave exhaustive answers, and was well disposed toward them. He gave assurances regarding the small number of refuseniks (less than a dozen) who have not obtained the right to leave because of their access, according to the Russian authorities, to state secrets. He outlined a government program to combat anti-Semitism. He promised close cooperation wiith Israel's ministries of culture and national education [as published] in drawing up appropriate programs in Russia.

In short, the premier so pleased his interlocutors that they promised him their full support and subsequently themselves telephoned various news agencies to ensure that they reflected the deep satisfaction felt by these influential representatives of an influential community at their meeting with the premier of the new Russia.

A meeting immediately followed with former Congressman Vanik, coauthor with legislator Jackson, now deceased, of the well-known amendment which bears their names. The Jackson-Vanik Amendment, which became law at the height of the Cold War, forbids the granting of most-favored nation status to a country where human rights are violated in the form of people being prevented from leaving the state.

Given that it is not difficult to leave Russia now, the codrafter of the law recognized it was obsolete. As a high-ranking member of the delegation reported, "Vanik said that he now regrets having proposed such a law."

Although there is more politeness than truth in that remark, the problem is now becoming both more serious and bizarre.

If present-day Russia maintains its course, the U.S. president will certainly extend most-favored nation status each year. This will virtually have no effect on many kinds of commercial exchange.

However, ultralarge, long-term investment becomes a top-level matter so long as the amendment is not repealed. No one wants to risk many billions of dollars which may turn a profit only after decades. The advent of a new government—and not just in Russia but in the United States too—becomes potentially dangerous.

It is very difficult to change laws in America. It is difficult to pass them. It is difficult to repeal them. Thousands of proposed amendments remain simply vain endeavors, mustering just one or two votes.

But laws are repealed by the same procedure. And that is why Viktor Chernomyrdin needs not just the sympathy but the active help of the Jewish community in the United States to repeal the Jackson-Vanik Amendment. The community put immense effort into getting it passed at the time. Today the Russian premier, acting in a completely new sphere for him, is doing his utmost to ensure that the Jews of America help Moscow, as they did during War II.

The delegates of the Jewish community promised to do this after their uplifting meeting with him, which is why the work with which Chernomyrdin has been professionally occupied all his life has now become realizable in practice.

During his last visit here last September the Russian premier, who is a gas and oil industry man by profession, devoted a lot of time to the Marathon Oil company. This oil concern—a pretty major company, albeit not a giant—enjoyed his special attention during his visit to Houston, Texas. Some Russian experts claimed at the time that Marathon was developing a very profitable project for Russia involving work at Sakhalin.

Marathon has now become the leading company in the Sakhalin Energy Investment consortium, which is investing #9 billion in developing the Sakhalin shelf, with its rich reserves of oil and natural gas.

In the opinion of experts from the Chernomyrdin-Gore group, total U.S. investment, which now stands at approximately $1 billion, will grow to $40-50 billion by the end of the decade.

True to himself, the prime minister preferred to talk about the economy, but you can't escape politics in his job. Moreover, the meeting with Clinton took place the day after the signing of the agreement with NATO in Brussels—you couldn't, in general, devise a better situation.

But the premier himself has been persistent in creating an atmosphere of openness, friendship, and understanding that a partner has national interests; and most importantly, whether assenting or dissenting, he has sought to speak the same language in both politics and economics.

Only one sticky moment arose. On Thursday, from early morning on, all Washington political circles were discussing an article in THE NEW YORK TIMES claiming that the Russian Government is not providing full information on work on chemical weapons, that is to say, improvement of binary gases is continuing, and that the revelations by the chemist Vil Mirzoyanov, whom the Russian authorities—with staggering clumsiness—tried to imprison, are confirmed by other sources at CIA and military department level.

Nevertheless, CIA Director R. James Woolsey and Joint Chiefs of Staff Chairman Shalikashvili advised the legislators to ratify the treaty on the prohibition of chemical weapons. And although doubts among the congressmen are considerable, the majority do seem inclined to ratify it if Russia is more frank and honest in furnishing information.

Whether Chernomyrdin failed to be briefed by his aides or whether he himself failed to pay heed (perhaps out of dear Moscow habit he thought it doesn't matter what they write in the newspapers there), his answer at the press conference was brusque but unconvincing: This is all nonsense born of utter ignorance.

That may be the case, of course. However, in America they have somehow gotten used to the idea that if THE NEW YORK TIMES, the CIA, and the Defense Department make a claim it is better to attempt to rebut it with more proof and less emotion.

Vice President Al Gore hurried to help out his colleague and cochairman, suggesting that in Moscow, unlike Washington, the top leaders don't have time to read the newspapers first thing in the morning.

But that was merely a sideshow. On the whole, the current premier, who, even one year ago frightened capitalist-raised kids here, has proved to be fully deserving of the assessments which World Bank President Jacques Camdessus [name and title as published] brought back from Moscow in the spring.

In a number of interviews and private discussions Jacques Camdessus expressed complete satisfaction at not just his week spent in Moscow but—most importantly—the approach to the economic realities by the Russian premier himsslf.

Camdessus would most likely not have experienced such a happy shock had Gaydar still been in that high post. They had probably not expected from Chernomyrdin such commitment to tough monetarist policy, steadfastness in pursuing a market course, or readiness to crush all who stand in the way of the country's financial recovery. Had Camdessus understood the real meaning of the Soviet expression "our man," he might well have used it.

The World Bank president's views had merely grown stronger by the time of Viktor Chernomyrdin's arrival. Demonstrating in every possible way his support for Russia (for lack of which he severely criticized Vice President Al Gore and Deputy Secretary of State Strobe Talbott), he said that Russia "is making determined efforts in favor of reforms and stabilizations."

Reflecting the growing opinion here that Prime Minister Chernomyrdin has serious chances of becoming Boris Yeltsin's successor, the U.S. vice president said: "Mr. Chernomyrdin is a tremendous leader of Russia as regards the active implementation of reforms."

Relations between our countries do not simply develop dynamically, they also have their ups and their downs. It now looks as if the latest up following a down has begun. All 22 of the documents prepared in advance have been

signed, including those regarding whose prospects very serious misgivings had been voiced.

For example, the treaty stopping the manufacture of plutonium looked to have slim chances of survival. Russia demanded compensation, the United States did not understand why, strictly speaking, it should pay, given that it is doing the same thing back home on a reciprocal basis.

They have agreed to an apparently strange compromise. The treaty was signed not by ministers, as envisaged, but at a higher level—by Chernomyrdin and Gore. The United States won't give money for the shutdown of production. However, it will allocate $1 million for research work in two Russian scintific research institutes.

Of course, no single meeting clears up absolutely everything. The problems of chemical weapons remain for Naples, where Boris Yeltsin will go to talk with the G-7 leaders. Decisions are still awaited on the question of NATO, nearby foreign parts, peacemaking efforts, and so forth, on which neither side has given an exhaustive answer to date. And this is unlikely to emerge by September, when Boris Yeltsin will be coming to the United States.

Efforts Needed To End 'Unevenness' in U.S. Ties

PM2706154394 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 94 First Edition p 2

[Article by Anatoliy Shapovalov: "Reading Between the Lines. Postscript to V. Chernomyrdin's Visit"]

[Text] There is an extremely fine line between politics and economics because the former, as is known, follows from the latter. It is not enough to assess the visit solely on the meetings with B. Clinton and other leading figures. We must also take account of the meetings at which at first sight inconspicuous yet essentially very important work was done, as evidenced by the avidity with which the interlocutors hung on every word spoken by the guest from Moscow. To this should also be added the contribution made by the six leading Russian Federation ministers who came to Washington to participate in the third session of the Russian-U.S. Intergovernmental Commission on Economic and Technological Cooperation (this gave observers cause to joke that an away session of the Russian Government was being held in America).

The Americans seemed to be most interested in one thing: What was happening in Russia at this moment, and whether the guests would be so bold as to speak again about the allocation of aid, on which the limit, even the verbal limit—this was not concealed in Washington—has already been reached. Instead, advice was offered about "living according to our means" and about cooperation in the spheres of space exploration, nuclear power, and environmental protection.

Portraying the present situation in Russia, Viktor Chernomyrdin strengthened the Americans' faith in the reforms being implemented in our country. At the same time he made it clear (unobtrusively) that the results might have been still more tangible but for "Cold War relics"—restrictions of various kinds. Thus, the development of bilateral trade relations is being held up not so much by the uncompetitiveness of many Russian commodities as by obstacles in the United States in the way of high-tech products coming from Russia. The cause of this—tough antidumping legislation—was not only named. V. Chernomyrdin called for the repeal of the notorious Jackson-Vanik Amendment to the Trade Bill and also for the U.S. Administration to recognize Russia's status as a country with a transitional market economy.

At the same time he stated this not just at the highest level. The premier ventured to do something that no Soviet or Russian leading figure has done before: to have a meeting with the leadership of the National Conference on Soviet Jewry—the very body on whose initiative the Jackson-Vanik Amendment was, in fact, approved. The unusual approach was repaid with interest. The representatives of the "influential Zionist lobby" in the United States (this was what they were called under the totalitarian regime) listened to the premier with interest and promised assistance but, at the same time, did not conceal their concern about the growth of crime and acts of anti-Semitism in Russia. Chernomyrdin in turn promised effective government assistance in settling problems, while emphasizing, however, that political stabilization is inconceivable without economic stabilization, particularly the repeal of the Jackson-Vanik Amendment.

It would evidently be naive to think that the various kinds of unevenness in Russian-U.S. relations will be eliminated at once. A number of congressmen, for example, dislike the fact that almost 20 documents on bilateral cooperation signed in the United States include an agreement to include Russia in the international program to build the Alpha space station: They say that this will entail U.S. expenditure.

NATO Commander Starts Visit to Russia

LD2706120594 Moscow INTERFAX in English 1036 GMT 27 Jun 94

[Text] The working visit of General George Joulwan, commander- in-chief of NATO forces in Europe, to Russia began on Monday.

Officials in the Russian Defense Ministry's press and information service told Interfax that Joulwan would meet with National Security Council secretary Oleg Lobov, First Deputy Minister Oleg Soskovets, Colonel General Mikhail Kolesnikov, chief of the General Staff, and MPs on June 27.

Joulwan's meeting with Army General Pavel Grachev, the Russian Defense Minister, and a joint news conference with him are scheduled for Tuesday.

Other plans for his stay in Russia include a meeting with ambassadors of NATO member nations in Moscow and a visit to the 27th Separate Motorized Brigade stationed in Teplyy Stan, a southern neighborhood of Moscow.

Observers believe that the Joulwan visit reflects closer ties between Russia and NATO. Russian diplomats told Interfax that the Russian Foreign Minister Andrey Kozyrev had signed a protocol on working out a Russia-NATO cooperation program simultaneously with the Partnership for Peace framework program. The two sides are said in the protocol to have agreed to continue broad Russian-NATO cooperation both inside and outside the Partnership for Peace program.

Russia and NATO also agreed to continue a dialog on both political and security problems in Europe, political consultations and cooperation on security.

Russian diplomats pointed out that the very fact of signing the protocol implied the existence of special relations between the North Atlantic Alliance and Russia.

Holds Talks With Soskovets

LD2706150594 Moscow ITAR-TASS in English 1355 GMT 27 Jun 94

[By ITAR-TASS correspondent Oleg Velichko]

[Text] Moscow June 27 TASS—First Vice-Premier of the Russian Government Oleg Soskovets and commander-in-chief of NATO's joint armed forces in Europe, George Joulwan, currently on a visit to Russia in the framework of cooperation between Russia and NATO, came out for the expansion of cooperation between Russia and the North Atlantic alliance.

During their meeting today, the first Russian vice-premier said the "world community pins its hopes on Russia, the United States and NATO for the maintenance of world peace." Soskovets pointed out that the participation of Russian peace-keeping forces in Yugoslavia and Georgia shows that "Russia is making considerable efforts for promoting peace." Besides, Russia is responsible for the protection of borders in Tajikistan, prevention of conflicts in the Caucasus and keeping the situation on Moldova under control, Soskovets added.

He drew attention to the fact that Russia, in fact, has been carrying out complex and unilateral conversion practically without any assistance by foreign partners. He pointed out that "the policy of conversion would be continued in accordance with Russia's military doctrine."

For his part, the NATO commander said that after the sides had signed the partnership for peace programme, possibilities opened for developing closer contacts. Joulwan said that the Partnership for Peace is "a road with two-way traffic." It is not only Russia that can learn something from NATO, but NATO can take over much of Russia's experience, Joulwan said. "The time has come to work out concrete documents determining the degree of Russia's participation in NATO's programmes," the NATO official said.

Further on Soskovets Meeting

LD2706152994 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 27 Jun 94

[From the "Novosti" newscast]

[Text] The fact that NATO's Partnership for Peace program has already become part of Russian policy was confirmed today at a meeting between Oleg Soskovets and George Joulwan, NATO's commander in chief in Europe. In a conversation with the U.S. general, the first deputy prime minister noted that the CIS countries have not become really independent since gaining political independence. In the Caucasus, Tajikistan, and Moldova, Russia is forced to conduct peacekeeping missions. Moreover, it hopes for assistance in these operations from the North Atlantic alliance.

The NATO commander in chief agreed with the first deputy prime minister's assessment of the situation in CIS trouble spots, and stressed that NATO is undergoing a period of transformation from a military bloc into a peacekeeping one. However, it is in no haste to participate in such operations. George Joulwan proposed to Oleg Soskovets that joint Russian-NATO exercises be held in any European country of Russia's choice and at a time convenient to it. Russia agrees in principle. The details will evidently be discussed tomorrow at George Joulwan's meeting with [Defense Minister] Pavel Grachev.

Meets Yushenkov, Discusses Relations

LD2706151594 Moscow ITAR-TASS in English 1404 GMT 27 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow June 27 TASS—Russia's signing of the Partnership for Peace programme and the protocol on cooperation with NATO opens up wide possibilities for the development of military and technical ties, a Russian top legislator said on Monday.

The announcement was made by Sergey Yushenkov, chairman of the State Duma Committee for Defence, during his meeting with Supreme Allied Commander Europe George Joulwan who is in Moscow on a working visit.

Yushenkov and Joulwan discussed relations between NATO and Russia and European security.

Earlier today, Joulwan met with Russian Chief of the Army General Staff Mikhail Kolesnikov to discuss prospects for cooperation between the Russian army general staff and the NATO Supreme Command Europe, interaction in peace-keeping operations and other issues of mutual concern, the Russian Defence Ministry press centre said.

Discusses Balkans With Kozyrev

LD2706165994 Moscow INTERFAX in English 1610 GMT 27 Jun 94

[Text] Those members of the State Duma who on June 22 said in parliament that Russia's joining NATO's Partnership for Peace betrays national interests are traitors themselves, the Russian Foreign Minister Andrey Kozyrev said today. He was speaking before his meeting in Moscow with the Commander-in-Chief of NATO's allied forces in Europe George Joulwan.

"They are political red-brown bastards who want to plunge Russia into isolation again. They need an enemy", Kozyrev said.

He said that Russia would in any case take a decent place in the world and would most probably hold a joint military exercise with the United States. "We've got nothing to be afraid of. On the contrary, a refusal would be tantamount to sticking one's head in the sand", he said

About the conflict in the Balkans Kozyrev said that uneasy calm had been established there and that it was still fraught with a slide into World War III.

He said that the "parties of war" in the Balkans were trying to win support from the great powers and as a matter of fact provoking a collision between them.

Kozyrev said that Russia was for addressing both sides with a firm demand to observe peace without giving preferences to either of them.

"Those traitors in the Duma who demand supporting one of the parties thereby push us into a war with the United States. "Apparently they would like to fish in troubled waters, just as was the case in 1917, and Mr Ziuganov seeks to outdo his predecessor".

Kozyrev Defends Decision on Partnership for Peace

LD2706174294 Moscow ITAR-TASS World Service in Russian 1603 GMT 27 Jun 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 27 June—Foreign Minister Andrey Kozyrev trenchantly rejected State Duma attempts on 22 June to question the legitimacy of Russia signing NATO's Partnership for Peace program. On that day, the communists' faction called for the signing of this document "to be deemed invalid," comparing it with the "Barbarossa Plan," under which Hitler invaded the USSR.

In the words of the minister, who stressed that he was speaking as a deputy of the lower house of parliament, "It was simply the voice of traitors" speaking at that 22 June session of the State Duma. A group of politicians, he went on, took the liberty of speaking utterly disgracefully. It appears that some people would like to revive the image of the enemy. "We are talking here of red- brown [communist-fascist] political mongrels. The communists left millions of people to rot in camps and the fascists killed millions of people."

Andrey Kozyrev said that "one of the parties involved in all of this or, rather, its faction in the State Duma, enjoys material and organizational support from neofascists in the Federal Republic of Germany." It is no coincidence, he added, that "in his book, Zhirinovskiy proposes giving away Russian lands—Vyborg and Kaliningrad.... This is probably his German neofascist friends ordering the return of Russian lands, the trade in Russian lands."

Noting that he will answer for his words, the minister said: "I do not think this is the stance of the faction, but it is the stance of certain politicians. This is treachery against Russia, and it was this that came from the red-browns on 22 June."

In the minister's words, Russia is building partnership relations, based on equality, dignity and, acknowledgement of its role as a great power, both in the West and the East. Everyone is well aware that our cooperation with NATO is an element of a global picture. It represents no threat at all to our neighbors. On the contrary, it is an element of improvement and cooperation, Andrey Kozyrev added.

Deputy Foreign Minister Views Partnership for Peace

LD2706155894 Moscow INTERFAX in English 1529 GMT 27 Jun 94

[From the "Diplomatic Panorama" feature: Correspondents Igor Porshnev, S Kolosova and others]

[Text] "Whenever something serious and positive happens in Russia's foreign policy, it invariably causes somebody's criticism,, the Russian Deputy Foreign Minister Aleksandr Panov has told IF. He was speaking in reply to the opposition leaders' strong criticism of Russia's joining the NATO "Partnership for Peace" program.

The Russian Foreign Minister Andrey Kozyrev signed the program in Brussels last Wednesday. The "Russia-NATO" protocol was adopted on the same day. "This is a serious, important step" Panov said.

He believes that criticism expressed over the past few days was counterproductive, because it contained no alternative or any other proposals. "They (the opposition - IF) simply don't like it. Probably, this is inevitable when political struggle is afoot. But criticism must be well-founded. Otherwise it is just not serious at all," Panov said.

Prospects of 'Partnership' with West Viewed

PM2706131594 Moscow KRASNAYA ZVEZDA in Russian 25 Jun 94 p 2

[Article by observer Aleksandr Golts under the "Topic of the Week" rubric: "The Time for Real Partnership Has Come. And Not Only With the West"]

[Text] "To heed the call of the future"—Boris Pasternak considered this essential for a poet. Likewise, the ability to pick up signals for the future in rapidly changing situations and on a daily basis, is the most important quality for someone in politics. I do not think I will go far wrong if I say that this week, for Russia, this call of the future was concentrated in the word "integration." At the same time, there were precise manifestations of two integrative aspects which, in my view, will also determine Moscow's policy in the foreseeable future.

First and foremost, it is a matter of our country's further accession to the global economic system now emerging, the guarantee of Russia's maximum participation in the formation of European and world security. And here, some highly important steps were taken. Above all, the matter concerns the agreement signed by Boris Yeltsin in Corfu on cooperation between Russia and the European Union [EU]. After that—the formalization of Moscow's relations with NATO, which took place in Brussels.

These days, the demand for integration on another level made itself heard in the most insistent manner. It cannot but be noted that the pivotal question of the presidential election campaigns both in Ukraine and Belorussia [Belarus] (and it is highly noteworthy that the matter concerns republics whose leaders finalized the disintegration of the Union in 1991) was the question of reintegration with Russia.

However, listening to an insistent demand resounding from the future is only half the task for a politician. The newspaper SEGODNYA recalled an extraordinary incident which occurred in the sphere of Russian diplomacy almost two centuries ago. Soon after the conclusion of the Tilsit Peace, it emerged that France had no intention of honoring the commitments which Napoleon had given in a conversation with Alexander I. In response to Russia's protests, a cynical Talleyrand replied: "Politics is just like music. A tune which has not been inscribed on paper, and a tune which has not been determined in note form, is no more than an empty noise." But the role of a politician is to transform trends favorable to his country into specific treaties, into a clearly prescribed position.

However, this is something we succeed in doing far from always, and with great difficulty. It is no coincidence that it took so long—almost two years—to elaborate the agreement with the EU. After all, unlike a similar agreement signed in 1989 with the USSR, it enshrines not just general principles, and not just wishful thinking about cooperation. It is a matter of specific economic commitments. The key provision is the possibility of free trade between the EU and Russia as of 1998. The fact is that by contrast with, say, Ukraine, Russia is deemed to be a country with a transition economy. This gives it the opportunity, in relations with West European partners, to obtain the very same benefits which are enjoyed by states within the GATT framework. At the same time, the EU "has understood the position" of Russia and agreed that it can continue to protect the most socially vulnerable spheres with the aid of tariffs and import duties for a certain amount of time.

Each of the agreement's signatories had to traverse his own section of the road to reach it. EU countries were able, for the sake of strengthening stability in Europe, to fight the egotistical urge not to allow foreign goods onto their own markets. Moscow agreed that various restrictions will operate for certain categories of goods and services (textiles, steel, aluminum, fissionable materials, commercial use of launch vehicles). It would be too optimistic to state that efforts to isolate us are a thing of the past. This is proved not only by the restrictions which have been retained, but also by the fact that Russia is not seen as one of the countries earmarked for admission to the EU (where room has been found for the East European states.)

Less obvious is the success in establishing genuine partnership relations with NATO. Ultimately, Moscow, as promised, signed a framework document on NATO's "Partnership for Peace" program. And, in my view, this will bring our country nothing but good, no matter what fairy tales Russian conservatives may be conjuring up on this score. Admittedly, Russia failed to attain the formalization of relations with the North Atlantic Alliance which would have corresponded to its role as a nuclear state exerting a definite influence on European and world security. It had to be satisfied that the possibility of setting special terms beyond the framework of the "partnership" program is enshrined in the protocol on the results of the discussion between the Russian Federation foreign minister and the North Atlantic Council. The protocol is no more than a very vague melody, which has yet to be painstakingly transformed into a "tune" of specific agreements and mutual commitments by our diplomats and our military, and their NATO colleagues alike.

But be that as it may, this integrative aspect looks very specific. If only because Moscow's aims here, as a rule, are obvious both to Moscow itself and to its partners. The picture regarding relations with the former Soviet republics, where the question of the fundamental reinforcement of relations with Russia has already been placed on the agenda, looks different altogether. Just as,

three years ago, some politicians tried to use to their ends the aspiration for sovereignization which suddenly overwhelmed their peoples, today others are trying to harness the trend toward reintegration. The Belorussian [Belarusian] premier's lightning visit to Moscow on the very eve of the presidential elections clearly had the purpose of demonstrating to the people this very contender's special relations with Russia. This is not the only example.

Meanwhile, in Russia itself, isolationist ideas are spreading widely, their thrust being that it is not worth our weak, but not defunct economy's taking on the burden of other states' problems. Official Moscow is still playing a waiting game, preferring that its partners themselves should define the level and nature of the relations they would like to have with Russia.

This was the only possible approach yesterday, in the period of sovereignization panic. But today, the time has come to formulate more clearly just what Russia's state policy is on this issue. Does Moscow want a new and closer association than the CIS presupposes? If so, then on what terms in the sphere of politics, economics, and security guarantees could this come about? A clear position here is important not least because it will block the road to demagogues and political speculators. The collapse of the Union created difficulties for the millions and millions of family and friendship links. It is this, in the experts' view, which became one of the main reasons for the terrible economic slump. And now, when the task ahead is, if not to halt this slump, then at least to slow it down, the issue of restoring old relations on a new and mutually advantageous basis appears pertinent to the highest degree.

Many people in the West understand the need for this. At the very least, the agreement between Russia and the EU provides for preserving preferential economic regimes in relations with Moscow and CIS countries. "Russia's future might will depend upon its ability to guarantee security and its own influence everywhere where geography offers such a possibility." This is the view of Helene Carrere d'Encosse, member of the Academie Francaise and a recognized expert in Russian affairs, which she expressed recently in LE FIGARO. It would seem that she has picked out the call of the future. The ball in in Moscow's court.

PRC's Qian Qichen Arrives 27 Jun

LD2706184894 Moscow ITAR-TASS in English 1755 GMT 27 Jun 94

[by ITAR-TASS correspondent Andrey Kirillov]

[Text] Moscow June 27 TASS—Chinese Foreign Minister Qian Qichen arrived in Moscow on an official visit on Monday.

On Tuesday Qian Qichen is expected to meet with Russian President Boris Yeltsin. The goal of the visit is to prepare the second Russian-Chinese summit meeting to be held in September when Chinese Chairman Jiang Zemin is expected to visit Moscow.

Qian Qichen will hold talks with his Russian counterpart Andrey Kozyrev and initial an agreement on the 55-kilometer western section of the Russian-Chinese border, sources in the Russian Foreign Ministry told ITAR-TASS.

The official signing of the agreement is planned for September summit meeting. After that it will go to the Federal Assembly for ratification. Russian diplomats said that five to seven documents are expected to be signed during the summit. Their number and content will be discussed during Qian Qichen's meeting with Kozyrev.

The talks between the foreign ministers of the two countries during which they will discuss bilateral relations and international issues of mutual interest will aim at boosting Sino-Russian ties, a Chinese Foreign Ministry official told ITAR-TASS in Beijing by telephone.

The Chinese guest said at Moscow's airport he will not answer journalists's questions now and promised to meet them on Tuesday after his talks with Yeltsin and Kozyrev.

Also on Tuesday Qian Qichen will hold talks with Federation Council Chairman Vladimir Shumeyko and may have a meeting with Russian Prime Minister Viktor Chernomyrdin.

"China and Russia are neighbours who have a long common border. It is natural for us to maintain close relations. I am confident that my current visit to Russia will be successful," Qian Qichen said.

On Tuesday, Qian Qichen who is also Chinese deputy prime minister will hold a press conference for Russian and foreign journalists at the Russian Foreign Ministry press centre.

During his foreign tour which will last till July 3, Qian Qichen will visit Belarus, Lithuania, Estonia and Finland.

Meets With Kozyrev

LD2806095694 Moscow ITAR-TASS World Service in Russian 0856 GMT 28 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[Text] Moscow, 28 Jun—Talks have started between Russian and Chinese Foreign Ministers Andrey Kozyrev and Qian Qichen at the Russian Foreign Ministry's mansion.

"Communication between us is becoming closer and more regular," the Russian foreign minister said at the start of the meeting. He expressed his sympathy over the damaging floods in southern China, which have led to the loss of many lives.

Qian Qichen said the September meeting between PRC President Jiang Zemin and Russian President Boris Yeltsin, preparations for which are the center of these talks, "has great significance."

Chinese Fishermen Detained, Fined for Illegal Fishing

LD2706151994 Moscow INTERFAX in English 1322 GMT 27 Jun 94

[Text] A Chinese fishing boat was detained for illegally fishing in Russian territorial waters on Sunday.

The arrest follows an operation codenamed Zaslon against poaching and illegal border crossing, launched by the Far Eastern Border District last Thursday.

The amount of fines imposed on Russian and foreign vessels since the launching of the operation runs at Rbl 1 billion. More than Rbl 230 million worth of smuggled goods were seized and 38 people, most of them Chinese, were detained for illegal border crossing.

Out of 36 Russian vessels inspected, one was impounded on charges of trying to smuggle out a load of non-ferrous metal and large diameter pipes.

Foreign Ministry Views Prospects for Conference on Korea

LD2806104794 Moscow ITAR-TASS World Service in Russian 0855 GMT 28 Jun 94

[By ITAR-TASS correspondent Andrey Kirillov]

[Text] Moscow, 28 Jun—Assessing the prospects for the Russian Government's proposal to hold an international conference on security on the Korean peninsula and nuclear-free status for it, Russian Deputy Foreign Minister Aleksandr Panov said that "if the current bilateral contacts between the United States and North Korea fail, there will be no alternative."

In an interview with ITAR-TASS, he described the chances for this Russian initiative as "very strong." The diplomat believes that if the bilateral dialogue between the United States and the DPRK fails, it will become clear that "our position is absolutely right," since it is based on common sense.

Aleksandr Panov considers that the consultations between the United States and the DPRK, between North and South Korea, and between the DPRK and the International Atomic Energy Agency [IAEA] could be rolled into one. "Our proposed format is the best way of going about this," he noted.

Russia, he said, now believes that the number of participants in the conference on Korea could be increased. He said that, in addition to the DPRK and the Republic of Korea, it could be attended by the United States, Japan, Russia, China, and representatives of the United Nations and the IAEA, as well as Britain and France. France has already expressed a wish to take part. "We have always said that our proposal is not something sacrosanct," the Russian diplomat said, adding that each party is free to express its feelings and additional suggestions as regards the conference idea.

The situation on the Korean peninsula deteriorated after the DPRK announced it was leaving the IAEA and that it might also withdraw from the Nuclear Nonproliferation Treaty.

DPRK Nuclear Energy Official Explains Nuclear Program

LD2706155494 Moscow ITAR-TASS World Service in Russian 1350 GMT 27 Jun 94

[By ITAR-TASS correspondent Aleksandr Valiyev]

[Text] Pyongyang, 27 Jun—Despite the DPRK's departure from the International Atomic Energy Agency (IAEA), the monitoring equipment installed by the agency at the North Korean nuclear facilities at the village of Yongbyong, 100 km from Pyongyang, is working normally.

This was stated today in a conversation with an ITAR-TASS correspondent by Choe Chong-Sun, chief of the external affairs administration of the Committee for Atomic Energy of the DPRK. If anything is required to be replaced in the course of the operation of this equipment, we will consult the IAEA, he pointed out. In addition, two of the agency's inspectors remain on the territory of the republic. They are, it is true, leaving the DPRK tomorrow, but there are two experts coming to replace them on the same day who will continue the inspection work. Representatives of North Korea also remain in Vienna, where the IAEA headquarters are located.

In the words of Choe Chong-sun, as before, the DPRK still does not pin especial hopes on cooperation with the IAEA. He estimated the agency's aid to Pyongyang last year at $500,000 in the field of agriculture, medicine and the manufacture of certain goods.

The main aim of the reactor in Yongbyob, constructed with the close cooperation of the former USSR, is the development of nuclear energy to supply the requirements for developing the national economy, and the DPRK government is conducting an immutable policy in this respect, he said. This type of graphite reactor is the most rational for the country's conditions, since the country possesses reserves of uranium and graphite.

To clear suspicion, the DPRK last year put forward in talks with the United States the idea of replacing the present reactor with a light water reactor. But the main aim is nevertheless not the reactor itself, Choe Chong-sun stressed, but the country's being fully supplied with electricity. In the present conditions we simply cannot help using the existing 5-megawatt reactor for our own needs, he pointed out.

Naturally, the USSR provided assistance in the construction of the reactor, but in its successor—Russia—there is now a difficult situation, so the republic does not pin especial hopes on it in this matter, he said. I think, Cho'e Cong-sun noted, that we now have hardly any cooperation with Russia in the nuclear field.

Nor, he said, is Pyongyang especially counting on other countries in the matter of creating a light water reactor or in the field of nuclear experts. All the work is being carried out by Korean scientists. Overall, the DPRK does not feel any special technological need to replace the reactor and is making such plans only in order to remove from itself the suspicion of secret development of nuclear weapons, he announced.

Choe Chong-sun announced that the DPRK has plutonium, which is used for experimental purposes in the radio chemistry laboratory in Yongbyon, but he did not name the existing quantity.

Concluding the conversation, he expressed indignation at what in his view is the false coverage of the North Korean nuclear program by the Western mass information media.

New Council on Foreign Investment Set Up

PM2706132594 Moscow IZVESTIYA in Russian 25 Jun 94 p 2

[Report by Aleksandr Shalnev: "One Billion Dollars in Investments Is Not Enough for Russia: The Consultative Council Is Hoping To Radically Change the Situation"]

[Text] Just $1 billion—that is the expected volume of direct foreign investments in the Russian economy this year. According to Yakov Urinson, first deputy economy minister, this is even less than in Estonia, which is a "very small country."

In an attempt to stimulate interest among investors—both Western and Eastern—in Russia, a Consultative Council for Foreign Investments is being created under the Russian Government and will hold its first session in Moscow next Monday under the chairmanship of Viktor Chernomyrdin. The leaders of 14 large corporations which either already are investing money in our economy or are intending to do so have been invited onto the council, whose main function, as far as may be judged from comments by government spokesmen, will be to outline or adjust the general course and strategy of Russia's investment policy.

There is, of course, a certain risk that the council may be turned into a powerful grouping, which will promote the interests of the corporations represented on it. But in conversation with journalists Urinson ruled that risk out, stressing that the council's activity "will not be dedicated to specific investment projects but will be concentrated solely on questions of principle."

It is expected that at the first session the Russian Government will unveil a set of measures designed to increase the influx of foreign money. The plan will include among other things draft amendments to the recent law on foreign investments, which, from the Moscow White House viewpoint, is not entirely adequate to our present-day economic realities. It is not impossible that the plan will finally answer the question which is being actively debated in the government itself and outside it, namely whether it is worth creating special conditions for foreign investors. In the view of the deputy minister of the economy (his "personal" view, as he stressed), "this hardly neerds to be done." I wonder whether his opinion will prove decisive.

One final point: There is clearly some irony in the fact that the U.S. banking corporation, Citicorp, figures among the council's members. This corporation, which is undoubtedly a major potential investor, is affected by the restrictions contained in the president's edicts on the activities of foreign banks in Russia.

Yerin in Switzerland for Antimafia Talks

PM2706135794 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 25 Jun 94 p 1

[Report from RIA, POSTFACTUM, and INTERFAX column: "Yerin Went To Combat Foreign Crime"]

[Text] On Friday Viktor Yerin, Russian minister of internal affairs, flew to Switzerland, where he will hold talks for the first time on establishing contacts with that country's law-enforcement organs. The Russian Federation Ministry of Internal Affairs Public Relations Center has reported that the fight against international organized crime will be the main subject of the talks.

At the beginning of this week V. Yerin visited Vienna at the invitation of Austria's minister for the interior. Questions of strengthening the two departments' cooperation in the fight against international crime, the drugs business, and crime in the financial and economic sphere were discussed during the trip.

Commander Interviewed on Brigade's Berlin Pullout

PM2706140994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 25 Jun 94 p 2

[Interview with Major General Yu.P. Makarov, commander of Separate Berlin Order of Bogdan Khmelnitskiy Motorized Rifle Guards' Brigade of Russian Armed Forces, by Aleksandr Polotskiy of RIA NOVOSTI under the "Out-of-Turn Parade" rubric; place and date not given: "Russia, Dismiss! With Belongings! May 1945: They Came. June 1994: They Left"]

[Text] Today, 25 June, the farewell parade of the Separate Berlin Order of Bogdan Khmelnitskiy Motorized Rifle Guards' Brigade of the Russian Armed Forces will take place in the capital of Germany. Our correspondent met with Major General Yuriy Petrovich Makarov, its commander.

[Polotskiy] The allies left with music, riding on combat hardware. But we?

[Makarov] Ten T-80 tanks are ready for the parade, but the German authorities are very afraid for "the asphalt and the road markings," which they might damage, and also for the streetcar lines, of which there are rather a lot in this part of East Berlin. Some six weeks ago, however, when a brigade of the French armed forces took its leave of the city folk in the environs of its Berlin garrison, the French drove not even 10 but a whole 30 of their tanks into the streets—the world was not turned upside down. Berliners gave the French military a very benevolent welcome.

[Polotskiy] Is the motherland ready to receive you?

[Makarov] We will send all our combat hardware and armament to Russia before 5 July, and all the families will leave before 1 August. Only servicemen who will participate in the final ceremonial send-off of the Russian troops from Germany, scheduled for 31 August in the presence of President B. Yeltsin and Chancellor H. Kohl, will remain in Berlin. We will set out in two trains for the motherland, for Russia, 1 and 2 September. A ceremonial welcome for the Berlin Brigade is already scheduled for 3 September in Moscow and for 4 September in Kursk.

I will state frankly that we have been very lucky with our new stationing location—housing for officers is already ready for us there, and there is a barracks for soldiers. We are taking with us another two prefabricated-panel barracks, which will house the medical unit and the staff, and we are reckoning on settling in entirely normally in the new place by fall or the beginning of winter. A Turkish firm is constructing a military camp there with 1,326 apartments, schools, clubs, and an artificial reservoir with funds taken from the sum of 7.8 billion marks allocated by the FRG Government.

[Polotskiy] In conclusion: Yuriy Petrovich, which of the Russian servicemen, nonetheless, will be the last to leave Berlin?

[Makarov] We are people who respect both ourselves and others. Therefore, in order to leave the garrison in Karlshorst clean and in full order, we propose to entrust this work to a special recultivation group from our brigade. It will consist of up to one company. This group will have through 5 September to "tidy the apartment" being left to its owners.

Politicians Upbeat on Pact With EU

PM2706155794 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 94 First Edition p 1

[Report by Aleksandr Krasulin: "Corfu Is Just the Beginning"]

[Text] The results of Russian Federation President Boris Yeltsin's visit to the Greek island of Corfu and the agreement with the European Union which he signed there are being actively discussed in the West.

The agreement should be welcomed in every way, since it will help to "civilize" Russian exports and will promote Western capital investment in the Russian economy. This opinion was expressed with typically English restraint by British Prime Minister John Major.

A more frank and optimistic assessment of this event was given by FRG President Richard von Weizsaecker. "The spirit of unity which has been established in Europe testifies that the Cold War era will never return," he said.

On the whole, the tone of the statements by all the EU representatives was almost wholly positive. Only journalists expressed a certain skepticism. Thus THE LOS ANGELES TIMES, while noting that the agreement will undoubtedly facilitate European capital investment in Russia, which is undergoing a severe economic crisis, at the same time reminds its readers that the document still has to be ratified.

Journalists accredited to the EU Council session noted that, despite the significance of all Russia's latest diplomatic steps, much mutual suspicion still remains in the new partners' relationship. Questions on which agreement has not yet been reached include Russian access to the European Investment Bank, the unconditional application of international rules in mutual trade, and the relaxation of visa regulations for Russians in EU countries. And the demand for the removal of restrictions on the activity of five Western banks on Russian Federation territory is hardly going to increase the optimism of Russian financiers.

But Britain's THE GUARDIAN notes that the resolution of virtually all international problems will be made easier for the Russian leadership by the fact that the West has staked too much to allow the risk of Russia's returning to isolation.

Russia will undoubtedly receive a number of benefits. Almost all Russian and Western observers incline to this conclusion. Above all, there is access to Western markets. But the Russian Federation has secured this access on the same terms as other countries whose economic development and cooperation led to the elaboration of today's market laws. Here a problem arises. The Russian economy urgently needs to reorient itself toward the harsh conditions of competition. Concessions should not be expected here. And observance of the strict norms in the EU's relations with other states in Europe is closely

monitored, with a whole arsenal of punitive measures being used against offenders. Will Russia, with its current legislative chaos, be able to be a normal partner for the EU, and observe its own interests as well?

Latvian Government Implicated in Illegal Oil Exports

PM2706105094 Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Jun 94 p 5

[Report by correspondent Karen Markaryan: "Criminal Oil Pipeline"]

[Text] In the course of the investigation into the case of Ivan Kharitonov, one of the leaders of Latvia's criminal world, staffers involved in the struggle against organized crime uncovered the far from fictitious tentacles of the international mafia, which moves hundreds of thousands of tonnes of contraband petroleum products from Russia to the West. According to Latvian police estimates, Russia has lost as much as half a billion U.S. dolalrs in this way in the past 18 months. Latvia's losses resulting from illegal shipments of gasoline and diesel fuel through its territory are on a scale comparable to the republic's annual budget.

One of the main intermediaries is the Swedish-Latvian firm TESS Petroleum. During an investigation of this joint venture, a criminal business plan was uncovered. The mechanism is brilliantly simple. For example, the chief of a Kaliningrad trawler fleet base or the leader of a certain enterprise in that oblast suddenly rejects petroleum products that are in transit, using any excuse you like, and asks that the goods be readdressed to TESS Petroleum in Riga or some other front firm. Meanwhile a firm in Tallinn belonging to the TESS conglomerate has already paid for the petroleum products on the Kaliningraders' behalf. An order then comes down the Lithuanian Railroad, and the cargo turns around in mid-journey and goes to Latvia, from where it is most convenient to send the oil onward to the West by way of well equipped terminals. Naturally, nobody pays any dues for this devious transit route. And all the time Kaliningrad Oblast is suffering a constant fuel shortage.

The Latvian police alone do not have the resources for a detailed analysis of this "black-market bookkeeping." However, it is now quite clear that the roots should be sought in Moscow, at the highest government level. It was only from there that huge deliveries of petroleum products from various regions of Russia could have been organized and authorized.

The staffers of the Latvian MVD [Ministry of Internal Affairs] directorate for combating organized crime approached their Russian colleagues and provided them with copies of bank documents in which various Russian figures appear. However, nobody from Moscow has turned up.

"It seems our colleagues are simply afraid to take it on," a Latvian MVD staffer told me. "We know what a bombshell we have in our hands. And the criminals know it very well, too. I would not be surprised if they try to put a stop to the whole thing at the outset, and they will stop at nothing."

Russian Commander Views Situation on Tajik-Afghan Border

LD2706163094 Moscow Russian Television Network in Russian 1200 GMT 27 Jun 94

[Text] The stretch of the Tajik-Afghan border patrolled by the Horog border detachment is recognized as the main gateway by which drugs enter the CIS. The border, which is almost 500 km long, runs between mountain ridges that separate Tajik and Afghan Badakhshan. Although all the outposts where the Russian border guards are based lie at the foot of these mountains, they are still at an altitude of 1,700-1,800 meters above sea level. You can imagine the hardships of service here, where Russian border guards have to cope with more than just the thin air of the Pamir mountains. Although political passions are now boiling in Tajik Badakhshan, on the Afghan side they have long escalated into armed settling of scores, and Russian border guards find themselves in the middle of all this.

[Begin recording] [A. Neroyev, commander of Horog border detachment] The fact that no single authority is in control on the territory of the neighboring state, Afghanistan, makes things difficult for us. On the other hand, the situation in Tajikistan itself is quite complex. So, the officers and men of the border troops have to work quite hard to keep the situation under control. Even so, we are actively guarding the border. We have regular meetings with Afghan representatives and settle security issues with them. We have been granted the right to represent the state in talks with the Afghans on questions involving the state border and control of the state border. [end recording]

Oslo Pressure Results in Withdrawal of Spitzbergen Rubles

PM2706150194 Moscow IZVESTIYA in Russian 25 Jun 94 p 3

[Report by Marat Zubko: "Norwegians Remove Rubles From Circulation"]

[Text] Helsinki—A large consignment of new coins totaling 22 million rubles [R] is on its way from the Svalbard Islands in the Arctic Ocean to Russia to be melted down! This money was minted on the islands specially for the Russian citizens working there.

Norwegian sovereignty over the archipelago was established under the Svalbard Treaty (still known as the Paris treaty) of 1920, but all the countries which signed it, and they now number 40, received the right to conduct their own economic activity there. Representatives of a

number of Russian organizations work on the islands, the largest of which is reckoned to be the Arktikugol Trust.

Some time ago the Arktikugol Trust, whose head office is in Moscow, introduced its own coins into circulation in denominations of R10, R25, R50, and R100 at the Barentsburg and Pyramiden mines on Svalbard. But the Norwegian authorities reacted extremely negatively to this move.

Since the words "Russian Federation" were stamped on the coins, Odd Blomdal, the Norwegian governor of the islands, thought that Moscow was thereby encroaching on Norwegian sovereignty over Svalbard. Representatives of the Russian embassy in Oslo were summoned to the Norwegian Foreign Ministry, where they heard an expression of dissatisfaction at the Arktikugol Trust's action. After that, as I was told at the embassy, the money was taken out of circulation at Barentsburg and Pyramiden.

I phoned Barentsburg on Svalbard, where I spoke to Aleksandr Sokolov, director of the Arktikugol mine, and asked him to explain the reason for the introduction of the new coins.

"Inflation, of course," he replied. "Whereas before our local internal commodity turnover amounted to R400,000 a quarter, now it is running at 20 million a month."

[Zubko] What currency was in circulation at the mines before?

[Sokolov] We had tokens in denominations from R1 to R25 and our own coins minted in the fifties. Incidentally, this is a real find for numismatists.

[Zubko] How are you getting by now, bearing in mind that the old money supply is inadequate and you are withdrawing the new one?

[Sokolov] We were in a difficult position. Commodity exchange and all workers' and employees' purchases have to be made on order forms to the official departments, which tripled the chore! But we are collecting up the coins and will send them to Moscow, where they will decide what to do with them....

Russia, Kazakhstan Target Illegal Narcotics

PM2706154194 Moscow KRASNAYA ZVEZDA in Russian 24 Jun 94 p 2

[Report by Anatoliy Ladin: "Secret Services Cooperate Successfully"]

[Text] Alma-Ata [Almaty]—In the words of Major General Sat Tokpakbayev, chairman of the National Security Committee [NSC] of the Republic of Kazakhstan, recent cooperation between the Kazakhstani NSC and the Russian Federal Counterintelligence Service has been producing results. Amongst other things in the area of combatting crime and drugs trafficking. A joint operation lasting several months ended recently. As a result Russian and Kazakhstani citizens involved in the transportation and sale of narcotics were detained.

Churkin Says UN Forces May Leave Bosnia-Herzegovina

LD2706163194 Moscow INTERFAX in English 1530 GMT 27 Jun 94

[From the "Diplomatic Panorama" feature: By correspondents Igor Porshnev, S. Kolosova, and others]

[Text] Russia's Foreign Ministry does not rule out that the date for a second ministerial meeting on a settlement in Bosnia can be agreed at a Contact Group's session in Paris on Tuesday [28 June]. As a senior Russian diplomat reported to Interfax on Monday, Russia will be represented at the gathering by the Deputy Foreign Minister Vitaliy Churkin.

He confirmed that the second ministerial conference would most likely take place in Geneva, where the first gathering had been held. "It is to put an end to three years of drama in former Yugoslavia, a drama that has exasperated everyone in the world community", Churkin remarked.

In his words, the Contact Group will look at alternative world community responses to refusal by one or both belligerents to a plan for territorial division in Bosnia, endorsed at the previous Geneva meeting, and it is not ruled out that UN may leave former Yugoslavia," Churkin said.

In keeping with the plan, the Serbs who now control 70 percent of Bosnia, are to get 49, and the Moslems and Crates [as received] - 51 percent of the territory.

Greek Minister on Moscow's 'Stabilization' Role in Balkans

LD2706175194 Moscow ITAR-TASS in English 1736 GMT 27 Jun 94

[By ITAR-TASS correspondent Yuriy Malinov]

[Text] Athens June 27—The Greek Defence Minister Yerasimos Arsenis said in an interview carried by the TA NEA newspaper on Monday that Russia, taking part in NATO's Partnership for Peace programme, might play an important stabilising role in the Balkans. He pointed out that preparations for signing an agreement on cooperation between Greece and Russia in the military sphere are under way.

The Greek defence minister said that he was given an opportunity to talk with the Russian President Boris Yeltsin and the Russian Foreign Minister Andrey Kozyrev before their departure from Athens. During the meeting the sides confirmed that the Greek defence minister would visit Moscow next month. Aresnis said that during the visit, like during his recent trip to the

United States, the sides will discuss problems of security in the Balkan region and the eastern part of the Mediterranean region.

Speaking about the system of collective security in the region, the Greek defence minister said that the Partnership for Peace programme envisages interaction between NATO and former Comicon countries. In this framework, Greece might put forward initiatives, urging for certain kinds of cooperation with other neighbouring countries at a political and military level, and possibly, with such nato countries as the United States.

The U.S. Defence Minister William Perry is arriving in Greece on an official visit on July 19. The sides will discuss problems of cooperation between the two countries with the aim of creating a system of security in the region, the Greek defence minister said. According to Arsenis, Greece, as a member of the European Union and NATO, might assume a certain decisive role in the Balkans on behalf of these organsations.

Duma Defense Chief Views Russia's Arms Trade Goals

LD2706182594 Moscow ITAR-TASS World Service in Russian 1131 GMT 27 Jun 94

[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Andrey Shitov]

[Text] Moscow, 27 Jun—"Russia should carry on arms trade on the same principles on which states in the West engage in this trade," ITAR-TASS reported today, quoting Sergey Yushenkov, chairman of the State Duma's defense committee.

Yushenkov described various laws currently in the pipeline and said that as a result of Western competition, the United States' share of some 30 percent of world arms trade market in 1987 had now climbed up to almost 60 percent in 1993, as against Russia's five percent.

Yushenkov also said that Russia had already concluded contracts to deliver planes to Malaysia worth approximately 600 million dollars this year and that Thailand was interested in Russian arms and the Russia's Scud system in particular, said to be much more effective that the Patriot system. Russia was also trying to enter the Latin American markets, ITAR-TASS said.

Yushenkov praised the Partnership for Peace deal signed by Russia recently and recalled that "Western Europe has still not extended the most favored nation status to Russia in full. The bans, especially those affecting quantity, affected the output of military industrial enterprises."

Sergey Yushenkov hoped that having now joined the Partnership for Peace program Russia would now regain, if only partially, its previous stature on its traditional Polish, Czech, and Slovak markets, where there was a need for spare parts for Russian arms purchased at an earlier stage, ITAR-TASS concluded.

Paper Refuses To Reveal Sources on Foreign Guns Deal

PM2406152994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 24 Jun 94 p 1

[Letter from V. Kvasov, Russian Federation minister and leader of the Government Apparatus, dated 20 June 1994, followed by reply from NYG Managing Editor Dmitriy Muratov under the "State Secrets" rubric: "We Report, Mr. Kvasov: This Is 1994!"]

[Text] For official use

To S.N. Kozheurov, chief [glavnyy] editor of NOVAYA YEZHEDNEVNAYA GAZETA

Dear Sergey Nikolayevich!

On 16 June this year your newspaper carried a report divulging the contents of Russian Federation Government directives stamped "Not for the Press" on the purchase from the FRG and Austria of special property for the needs of the Russian MVD [Ministry of Internal Affairs] and FCS [Federal Counterintelligence Service].

I ask you to conduct an investigation and to report to the Russian Federation Government Apparatus on the source of the aforesaid information and the grounds on which it was printed.

[Signed] V. Kvasov, minister of the Russian Federation and leader of the Russian Federation Government Apparatus.

Dear Mr. Minister!

In a letter sent by courier you demand an indication of the grounds on which the information about the government's purchase of a large quantity of foreign weapons (Walthers, Colts, Winchesters, Parabellums, etc.) and ammunition for them was published.

I report: The grounds are that this is interesting information.

You ask for its source to be reported.

I reply: in accordance with the Law on the Press... only in court.

If you deem it possible to shift onto us the responsibility for the regime of secrecy in the Government Apparatus, I will point out that it is not journalists who must keep your terrible secrets but you yourselves.

We really do not understand very well why Tula or Vladimir "products" are not purchased for the FCS and the MVD and the government is evidently more

attracted to deals outside Russia's "Golden Ring." Incidentally, as our newspaper reported 21 June, Boris Nikolayevich personally bought himself a rifle in Tula for 14 million rubles.

A final point. The Government Apparatus has not reacted so harshly to NOVAYA YEZHEDNEVNAYA GAZETA's articles about lobbyist edicts on the part of Chernomyrdin and Yeltsin in respect of a number of firms. But in general this makes me feel better: If there are state secrets, could this mean that the state exists?

[Signed] [NOVAYA YEZHEDNEVNAYA GAZETA Managing (vedushchiy) Editor] Dmitriy Muratov.

Kazimirov Says Russia, CSCE Have Same Goals in Karabakh

LD2706192994 Moscow INTERFAX in English 1836 GMT 27 Jun 94

[Text] Russia and the CSCE are applying similar efforts to settle the Nagorno-Karabakh conflict, Russian presidential representative Vladimir Kazimirov stated at a news conference in Yerevan Monday. At the same time, the Russian peace settlement plan envisioned more guarantees ensuring the mechanism for cease-fire than the one proposed by the CSCE, he said.

Kazimiriov dismissed speculation that the CSCE and Russia had differences over the settlement issue. Russia should coordinate its efforts with the CSCE, he said. Work is going on to convert the Russian plan into a true agreement, a legal document which could be signed at a top level, rather than a schedule of immediate measures, he said.

Kazimirov said the main priority of the Russian plan was to develop a mechanism to establish a cease-fire, which is essential for moving towards a Nagorno-Karabakh peace settlement.

Kazimirov also met Armenian President Levon Ter-Petrosian. He told Interfax after the meeting that he was satisfied with its results. "Much has been clarified," he said.

Deputy Foreign Minister Opposes Turkish Moves on Black Sea

LD2706202094 Moscow Radio Moscow World Service in English 1710 GMT 27 Jun 94

[Text] Turkey is going to introduce a new procedure regulating seafaring in the Black Sea straits as of 1 July. Authoritative international expert sources say these regulations run counter to the principle of seafaring. They are also reported to contradict the stipulations of the Convention on Straits adopted in the Swiss town of Montreux in 1936. Turkey's decision aroused concern among the parties to the convention and particularly in the Black Sea countries, for which the straits are the only water connection with the Mediterranean Sea. Russian Deputy Foreign Minister Albert Chernyshev explains Russia's stand on the issue of the Black Sea straits in an interview given to the Radio Moscow correspondent Mikhail Barushev.

Turkey on more than one occasion has declared the regulations it is introducing do not run counter to the Montreux Convention, but rather are aimed at increasing security of the seafaring in the straits. We can hardly accept this point of view, says Albert Chernyshev. It goes without saying that security of the seafaring in this area is extremely important. We are also aware of the necessity to upgrade the seafaring regulations in the straits. And still we are harboring serious objections and firstly because the decision to introduce new seafaring regulations in the Black Sea straits has been taken by Turkey unilaterally.

At the same time, stresses the high-ranking Russian diplomat, these straits dispose of an international status based on the principles of free seafaring. Rules should be improved, but not unilaterally. The interests of all parties concerned and particularly those of the Black Sea region should also be taken into account.

We have consulted all the parties to the Montreux Convention, and we have learned that all of them are generally sharing the Russian stand, went on to say Albert Chernyshev. More, we have expounded our viewpoint at the recent session of the committee for a secure international navigation, that was held in London. The participants at the session claimed the new Turkish regulations ran counter to the principle of free seafaring. They also adopted recommendations for Turkey to be accepted [as heard] in order to comply with a regime appropriate to international laws. We are going to raise the issue of regulations in the Black Sea straits when foreign ministers of the Black Sea countries forming an economic zone meet in Tbilisi late this week. We shall consistently uphold the principle of free seafaring in the Black Sea straits, concluded the Russian deputy foreign minister, Albert Chernyshev.

Indian Envoy on Importance of Upcoming Rao Visit

LD2706205194 Moscow ITAR-TASS in English 2017 GMT 27 Jun 94

[By ITAR-TASS correspondent Sergey Spitsin]

[Text] Moscow June 28 TASS—The forthcoming visit to Russia by the Indian Prime Minister R.V. Narasimha Rao, scheduled on June 29-July 2, will be an important landmark in the development of traditionally friendly relations between the people of the two great states, said the Indian ambassador to Russia, Ronendra Sen, in an interview with ITAR-TASS on Monday. The ambassador noted that the importance of the visit is manifested by the fact that during the Indian prime minister's visit two political documents will be signed devoted to a broad range of problems of cooperation between Russia and India in the international arena and reflecting mutual interests of the two countries.

The ambassador pointed out that favourable prospects for mutually advantageous bilateral cooperation will be outlined in a package of agreements pertaining to such important spheres as economy and defence, science and engineering, exploration of space and environmental protection. The ambassador said that at present, Russia and India are witnessing the process of successful restructuring of their relations, which began as a result of the visit to India by the Russian President Boris Yeltsin in January, 1993. The ambassador pointed out that he was convinced that Narasimha Rao's visit to Russia would render a new meaning to this process.

As for bilateral cooperation in the military sphere, it develops in the framework of an agreement signed by the Russian Defence Minister Pavel Grachev during the Russian president's visit to Delhi at the beginning of last year. The total sum of contracts signed in this field exceeds 500 million dollars, the Indian ambassador said.

Credit Agreement Signed With Mexican Foreign Trade Bank

LD2806085694 Moscow ITAR-TASS in English 0813 GMT 28 Jun 94

[By ITAR-TASS correspondent Aleksey Kravchenko]

[Text] Mexico City June 28 TASS—The National Bank for Foreign Trade of Mexico and the Russian foreign trade amalgamation "Energomasheksport" here on Monday signed an agreement on opening a credit line for Russian enterprises and companies for acquiring goods in this Latin American country.

The document envisages the possibility of receiving credits for exports to Russia goods worth 2 million U.S. dollars. The sides can increase the financial support up to 10 million dollars, according to their mutual understanding. Now Russian firms, which wish to make use of credit lines for imports of Mexican agricultural, consumer and industrial goods, will have to approach the "Energomasheksport".

This agreement creates an important precedent in bilateral ties, Anatoliy Yevdakomov, adviser to the Russian trade representation, told ITAR-TASS. Earlier this practice was used exclusively by state establishments of the former Soviet Union. Now the Mexican side is for the first time using this mutually beneficial financial mechanism for the development of economic exchange with Russia, he said.

Unfinished Aircraft Carrier To Be Scrapped

LD2806103294 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 28 Jun 94

[Text] The unfinished aircraft carrier Varyag, moored in the Nikolayev harbor in the Black Sea, will in all probability have to be scrapped. The scrapping will cost $174.6 million and take 4.5 years to complete. Even though some quarters have expressed interest in buying the vessel, any plans to sell it are hampered by the existing agreement between Russia and Ukraine, under which vessels of this type cannot be sold to a third country.

Army Paper Interviews Swedish Naval Officer

PM2706144994 Moscow KRASNAYA ZVEZDA in Russian 24 Jun 94 p 3

[Interview with Captain 1st Class Olle Jonsson by Valeriy Gromak; place and date not given: "High-Ranking Member of the Swedish Military Considers that It Is Essential for Russia To Have a Military Base in Kaliningrad Oblast"]

[Text] Captain 1st Class Olle Jonsson was appointed flag captain of the Swedish Navy two weeks ago. He is 54 years old and has spent 34 years in the Navy. He has served in various posts on all types of ship apart from submarines. His last post was head of a training center in Karlskrona.

Olle Jonsson gave an interview to our correspondent.

[Gromak] Mr. Jonsson, we are living at a time when new relationships are being established between states. This leaves its mark on the reform of the armed forces, including the navy. Changes are likewise taking place in the Russian Navy. In particular the fleet forces are being significantly reduced today. I am interested in whether the Swedish Navy will suffer cuts?

[Jonsson] The arms reduction process has also affected the Swedish Navy with all its force. We have already been forced to cut a proportion of officers this year. A series of small naval warships which, given their length of service, could go on serving for another 10 years, is being withdrawn from the combat strength. Minelayers are also being withdrawn from the combat strength due to the expense of servicing them.

[Gromak] What prospects do you see for further cooperation between Russian and Swedish seamen?

[Jonsson] It is a very good thing that Russian and Swedish ships are taking part in joint exercises for the second year running. This allows us to get to know each other better. For example, Russian military medics came on board and visited our ship Goteborg when we put in together to the port of Kiel. They discussed the generally understood topics of providing emergency medical treatment at sea and of dealing with an emergency.

[Gromak] The Baltic Fleet is on the whole based in Kaliningrad Oblast. During a recent visit to Kaliningrad, Swedish Foreign Minister Margaretha af Ugglas stated that the large concentration of troops in the area seems to be an anomaly. I am interested in hearing the opinion of a member of the Swedish military on this matter.

[Jonsson] First, I have not heard about this statement by the prime minister [as published]. Second, I will express my personal opinion. I consider that it is essential for

Russia to have a military base in Kaliningrad Oblast, especially now that you have to all intents and purposes left all your bases on the Baltic Sea....

Environment Not Expansion Drives Concern for Caspian

PM2706152794 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jun 94 First Edition p 6

[Report by Arif Useinov: "The Mirage of Kuwait"]

[Text] Baku—The Caspian could turn into a settling tank if, in the quest for foreign contracts, the champions of national interests do not concern themselves with the fate of its ecosystem.

A meeting of leaders and experts from oil companies in Istanbul was devoted to the development of oil and gas deposits on the Caspian shelf. Azerbaijan intends to sign it in the next few weeks [sentence as published]. However, within the flow of news anticipating the upcoming ceremonies, notes of alarm and bitterness have appeared in the local press in the past few days, going as far as the stunning news that the deal might not take place at all.

Attention is focused on commentary concerning the Russian Federation's official position in respect of the legal base of the agreements being concluded with foreign companies in states around the Caspian in the absence of a status for the Caspian itself. The matter boils down to questions which Russia raised both a year ago and two years ago: It is necessary to determine the status of the Caspian—legal, economic, environmental, and other norms for the joint use of this unique body of water and the rights and responsibility of all the Caspian states and each of them individually. The problem is undoubtedly debatable, extremely complex, and historically unclear. It appears that the most reasonable thing to do is to convene an international conference on the Caspian under the aegis of the United Nations, which would in fact settle all the controversial questions, including the most burning one—whether to consider the Caspian to be a sea or a lake.

It is quite lawful that, following the first contract of the century—the "Tengiz" deal—Russia deemed it necessary to express its stance on the second one, work on which is now being conducted in Istanbul. In principle, this concerns all agreements on the Caspian which have been concluded or are in the preparation stage, because the worsening environmental crisis, the high concentration of harmful substances, and likewise the uncontrolled fishing, equally concern Turkmenistan, Kazakhstan, Iran, and Azerbaijan. Russia is not making an exception for itself: It has temporarily closed down the already developed oil deposits in the waters of Dagestan until the status of the Caspian is determined and a principle for dividing its wealth is elaborated.

That is roughly how the Russian Federation embassy in Baku explained the situation, expressing regret that the normal notification through diplomatic channels of one state's stance to another—a major company of which, British Petroleum, will conduct the development of deposits on the Azerbaijani section of the Caspian shelf—was greeted with excessive suspicion. Furthermore, the opposition press was bursting with indignation, trying to accuse Russia of putting pressure on Azerbaijan and wanting to confirm its diktat over the Caspian. And, as usual, this question is being seen in the context of a Russian plan to settle the Karabakh conflict. The point of the reaction is clear: Pressure is being applied from the left and from the right. The official point of view, which leaves no room for doubt, is: It is more obvious to us with whom we should conduct talks, and what contracts should be concluded and on what terms.

The British Petroleum office in Baku also did its bit, explaining that before the talks began the company studied all the visible and invisible legal aspects connected with the preparation of the contract.

Observers, however, are unanimous in their opinion: Russia's position should not be ignored—it concerns the fate of the Caspian as a whole, which is incomparable with the advantage of any one of the contracts. It is no secret that the closed ecosystem is gradually turning into a scrap heap and settling tank. During the latest storm everything is getting muddled up. Just try to distinguish where the most dangerous substances have been discharged—in Sumgait or on the Turkmen coast. Not one Caspian state wants to bear the responsibility for the damage done. That is precisely what has dictated Russia's entirely reasonable concern about how the new developments, which notably rule out environmental control, will affect the state of the Caspian. Iran and Turkmenistan, remember, are also conducting work to develop the oil deposits on its parts of the Caspian shelf.

Yes, the temptation of competing with Kuwait in terms of wealth, obtaining fantastic profits, and reviving the national economy is great. All this, however, should not rule out responsibility for the fate of the Caspian. Russia, as one of the Caspian states, (for the sake of the common good) does not want the sea shores to turn into a settling tank. However, the champions of national interests, who have been carried away by discussions on geopolitical themes, have not paid due attention to this. What are the interests of future generations to them: After all, all their time, it appears, is being spent in conjecture about renewed Russian expansion. Obviously, this is a shame.

Political Issues

Yeltsin Opposes Shumeyko Call To Upgrade Parliament

LD2706154194 Moscow ITAR-TASS World Service in Russian 1422 GMT 27 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow, 27 Jun—Boris Yeltsin does not support Vladimir Shumeyko's initiative on extending the powers of the Federal Assembly's deputies and on upgrading the status of the upper chamber, Sergey Filatov, head of the Russian president's administration, told an ITAR-TASS correspondent today. A relevant statement from the presidential press secretary is expected.

"The implementation of Vladimir Shumeyko's initiative would obliterate all our work for attaining civil and public accord in Russia. In addition, we should not provide the opposition with a pretext for accusing us of power craving", the Filatov said. In Sergey Filatov's view, the fact that the parliament's upper chamber today represents the interests of the components of the Federation is an exclusive achievement of the Constitution. According to him, the results of opinion polls show that fear of Russia's possible collapse and fear of civil war are decreasing in society. "The fear of the country's possible collapse has been overcome precisely because the new Constitution gives the regions an opportunity to implement their interests by approving or rejecting laws. To turn the Federation Council into a politicized body, therefore, would be "tantamount to death for the Federation," the head of the presidential administration stressed.

According to him, Boris Yeltsin shares Sergey Filatov's concern about Vladimir Shumeyko's initiative to revise a number of articles of the Constitution and invest the Federation Council with broader powers.

Asked by an ITAR-TASS correspondent whether the presidential apparatus is going to appraise the responsibility of politicians for statements which destabilize society, Sergey Filatov said: "We are not a politburo; let the people, who elect politicians, appraise their actions".

Shakhray Says Elections Could Be Delayed

LD2706154694 Moscow INTERFAX in English 1322 GMT 27 Jun 94

[Text] The proposal on putting off parliamentary and presidential elections could be implemented by prolonging the Pact on Civic Accord, Vice Premier Sergey Shakhray told Interfax.

In his opinion, such a move would appease a wide spectrum of political forces, including the opposition which he believes would support the idea of postponing elections in the absence of a realistic contender to Boris Yeltsin and in hope that such a contender will at some point emerge in the ranks of the opposition.

He also said that the Civic Accord Pact was "a document based on a certain balance of political interests and forces." "Given political will, it can easily be prolonged by amending the Constitution and by prolonging the powers of all branches of authority," he said.

He welcomed the political forces' newly acquired skill for coming to terms with one another, but noted that in the current complicated situation, early elections could also help to ease political tensions.

He also expressed the opinion that the proposal to put off elections was the Russian political elite's attempt to prolong its term in office.

Shakhray: 'Police State' Possible Response To Crime

LD2706162994 Moscow INTERFAX in English 1443 GMT 27 Jun 94

[Text] Russia could become a "police state, and a very strong one" in response to growing crime rates, the settling of scores in politics and the absence of civilized civic institutions, Sergey Shakhray told Interfax. He said that the presidential anti-crime decree was one of the first signs of emergency legislation on the issue.

Shakhray believes that Russia is doomed to live through a period of extraordinary legislation. He says that in the struggle against banditry and organized crime there can be no place for competition between the State Duma, the president and other institutions of power. "They still have to pool their efforts," Shakhray said.

He said that a number of provisions in President Boris Yeltsin's decrees had been followed up upon in a draft law approved by the government and submitted to parliament for approval. The future law would "dramatically enhance responsibility for both committing and organizing crimes."

"The basic human right is the right to life and the safety of children and the family. All other rights must be made subordinate to that right," he said.

Filatov Comments on Reshuffling in Administration

LD2706171494 Moscow ITAR-TASS in English 1627 GMT 27 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 27 TASS—The removal of Nikolay Medvedev from the post of head of the presidential administration's department for work with regions was prompted by "mistakes in crucial directions," President Boris Yeltsin's Chief of Staff Sergey Filatov said.

In an interview with ITAR-TASS on Monday, Filatov said that "Nikolay Medvedev is strong in many fields, he is a serious analyst. However the preparation of a draft law on local self-government had practically failed in the

last few months although the regional leaders were assured that the document would be submitted to the State Duma shortly. But real work on it is only beginning."

Filatov stressed that Medvedev had failed to establish close cooperation with the presidential representatives in Russian provinces. Additionally, the removal of Bryansk Region administration head Yuriy Lodkin had developed into a conflict which could have been avoided in order not to "discredit authorities in the eyes of the population," Filatov said.

He added that Medvedev's successor Aleksey Kazakov "knows the regions well owing to his work in the state property management committee."

Filatov Views Necessity of Anticrime Decree

LD2706172294 Moscow ITAR-TASS in English 1624 GMT 27 Jun 94

[by ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 27 TASS—"During the discussion of the president's decree on the protection of the population from organised crime and the drive against bandits it became clear that the majority of society regards the decree as the necessary measure to curb crime in Russia," said Presidential Chief of Staff Sergey Filatov, commenting on the president's decree which took effect on Monday.

As for the opinion of a commissioner for human rights, Sergey Kovalev, who suggested that the president should recall his decree, Filatov said that "his position, strengthened by his experience as a human rights advocator, deserves respect."

Nevertheless, Filatov said "we believe that we shall manage to avoid abuse as regards the rights of an individual when applying the president's anti-crime decree." Filatov's opinion is shared by the general prosecutor's office which shall exercise control over its implementation. "Any incident when a suspect is detained should be registered in a protocol and its legitimacy is subject to control. An investigation is already under way into 17 incidents of detention without sufficient grounds, which is also a guarantee of the protection of the rights of an individual. Besides, the decree applies only to the most violent crimes," Filatov said.

"We do not live in totalitarian society. Such a powerful weapon as the freedom of speech will be a counterbalance to any encroachments on citizens' rights," Filatov said.

Filatov pointed out that his worst apprehensions were caused by the blending of the criminal world and the world of officials. "This "knot" might become a means of settling scores with "unwanted" people, which cannot be allowed. The decree on the fight against bandits puts a barrier to this dangerous process," Filatov said in conclusion.

Yeltsin Meets Agrarian Party Parliamentary Group

LD2706171594 Moscow ITAR-TASS World Service in Russian 1530 GMT 27 Jun 94

[By unidentified ITAR-TASS correspondent]

[Text] Moscow, 27 Jun—Russian President Boris Yeltsin met members of the Russian Agrarian Party group in the Kremlin today. The deputies briefed the president on their group's organizational structure and its numerical strength, as well as on their political positions, which they describe as centrist. The conversation was devoted to problems of the agro-industrial complex.

Having noted his full awareness of the difficulties Russian agriculture was experiencing, the president stressed the need to develop the agro-industrial complex taking account of the overall strategy of the country's economic reforms.

It was agreed to continue contacts between presidential structures and the State Duma's groups, including the Agrarian Party group, to prepare agreed decisions, the Russian president's press service told ITAR-TASS.

Further on Meeting

LD2706194094 Moscow INTERFAX in English 1833 GMT 27 Jun 94

[Text] Russia's agriculture should be reformed on the basis of freedom to choose form of property, Russian Presidential Advisor Georgy Satarov told Interfax Monday commenting on the results of Boris Yeltsin's meeting with the leaders of the Agrarian Party of Russia and its parliamentary faction this afternoon. He cited Yeltsin as saying that no imposition could be exercised in this issue.

The presidential press office said that Yeltsin had pointed out that he was aware of the difficulties faced by Russia's agriculture. He pointed to the importance of developing the agroindustrial complex taking into account the general strategy of the country's economic reforms.

The meeting was attended by the leader of the Agrarian Party and its parliamentary faction, Mikhail Lapshin, and a group of agrarian deputies.

Satarov said the participants of the meeting came to the conclusion that such meetings should be held regularly as they promoted the process of "joint shaping up a balanced policy for agrarian reforms in Russia."

National-Democratic, Patriotic Forces Assembly Set Up

MK2806105094 Moscow SEGODNYA in Russian 28 Jun 94 p 2

[Viktor Khamrayev report under the "Newly Created Entity" rubric: "Yet Another Movement Wants To Struggle for Accord and To Restore Russian Peoples to Honor and Dignity"]

[Excerpts] Yet another public-political movement, named the Assembly of National-Democratic and Patriotic Forces of the Russian Federation [ANDPF], which came into being last weekend, will strive for civil peace and interethnic accord, something only the lazy have not urged.

The Assembly, as designed by its founders, will bring together ethnic organizations, ethnic-cultural associations, parties, movements, and individuals, after which it will coordinate their actions "in the area of ethnic relations, political and socioeconomic transformations" and will establish "interethnic communication in civilized forms" upon defining "the common interests of the peoples of the Russian Federation."

The all-Russian assembly was convened at the initiative of the Assembly of the North Caucasus Democratic Forces under general secretary Shmidt Dzoblayev, which has already been operating as part of the Russian Democratic Reform Movement [RDRM]. According to the organizing committee, the initiative was supported by 64 regions. Only 43 credentials, however, were handed at the constituent congress: not all regional representatives could put aside their business to make a trip to Moscow. [passage omitted]

The congress was attended by Mr. Popov [not further identified], who in his salutary address on behalf of the RDRM at the very beginning wished the Assembly successful work, and then left the hall. There were no more well-known politicians at the congress, nor was there any particular need for their presence because the Assembly, Shmidt Dzoblayev said, was created "from the bottom up" and "does not rush to show its sympathies for one party or another."

Recognizing the protection of individual rights as the new movement's priority, the founding delegates chartered the vectors of its political and economic strategy as they envisioned a possible way "toward interethnic accord through the revival of national honor and dignity." Pointing out that the current interethnic conflicts are in reality "conflicts between regional and federal authorities over the distribution of property," the delegates set their sights on a "constitutional federation," in which "national-territorial entities will not divide citizens into 'indigenous' and 'non-indigenous,' and the federal authorities will be entitled to "remove from office a regional chief if he fails to take measures to stop ethnic discrimination." If this does not help, "oxygen should be cut off to the regions by imposing economic sanctions."

The Assembly's economic program has so far been limited to the recognition of "the need for the state regulation of the economy" and will be definitively outlined sometime toward next winter at the movement's first congress.

The hours-long discussion of the plans resulted in the adoption of a program statement describing regional problems "as a matter of particular concern for the authorities and the public," and also amendments and additions to the charter. In conclusion, the Assembly founders elected a political council—the ruling body between congresses, which will subsequently elect from its members a bureau that will govern the organization between meetings of the political council. The constituent congress also elected an executive committee and an auditing commission. Shmidt Dzoblayev was unanimously elected general secretary of yet another assembly.

Constitutional Court Protection Department Created

LD2706193894 Moscow INTERFAX in English 1837 GMT 27 Jun 94

[Text] Russian President Boris Yeltsin signed a decree on setting up a department for the protection of the Constitutional Court under the Federal Counterintelligence Service Monday.

The presidential press office said the decree had been issued in accordance with the Russian law on the protection of top state bodies and officials. The department will coordinate its activities with other federal protection, counterintelligence and interior and state security bodies as well as the administration and leaders of enterprises regardless of their form of property.

The decree came into force once signed.

Security Council Functions, Tasks Viewed

PM2806093194 Moscow KRASNAYA ZVEZDA in Russian 28 Jun 94 p 2

[Interview with Valeriy Manilov, deputy secretary of the Russian Federation Security Council, by Aleksandr Pelts; place and date not given: "Valeriy Manilov: Russia's Well-Being Is the Supreme Criterion"]

[Text] From the KRASNAYA ZVEZDA files: Lieutenant General Valeriy Leonidovich Manilov is a candidate of philosophical sciences. He was born in 1939 in a serviceman's family. He served in the Odessa and Transbaykal Military Districts and with the Southern Group of Forces. He took part in military operations in Afghanistan. He is a graduate of the General Staff Military Academy. He headed the USSR Ministry of Defense Information Directorate and the CIS Joint Armed

Forces Information Service. At present he is deputy secretary of the Russian Federation Security Council.

[Pelts] Valeriy Leonidovich, the Security Council's functions are so extensive that at times it is compared with the former [CPSU Central Committee] Politburo. How objective is this comparison?

[Manilov] I have heard of such comparisons. But let me remind you of an old truism: All comparisons are unsatisfactory. The Security Council's powers and functions are indeed extensive, but it is fundamentally different from the aforementioned structure. It is a constitutional organ, formed and headed by the country's president. Furthermore, it does not exercise any executive-administrative functions. Its main task is to prepare presidential decisions in the sphere of ensuring security. It considers and resolves strategic problems associated with domestic, foreign, and military policy in this sphere, defines Russia's national interests and the basic guidelines for their protection, and performs a series of other tasks.

[Pelts] Does the Security Council perform any coordinating and monitoring functions?

[Manilov] Of course. The Security Council coordinates the activity of organs of state power in the process of implementing their own decisions and the edicts and directives of the Russian Federation president as regards ensuring security. I would like to emphasize that it coordinates in terms of objectives rather than of functions, in other words without interfering in the day-to-day activity of ministries and departments. As for monitoring, it extends to the implementation of Security Council decisions and of the president's edicts on security questions. The Security Council's secretary and apparatus have been given powers to organize inspections of the efficiency of the implementation of these decisions by ministries and departments.

[Pelts] How, in your view, could one define the Security Council's position and role in our society?

[Manilov] It is an organ ensuring the exercise of the Russian president's functions as regards running the state in the security sphere. Hence its position in the state hierarchy. The paramount task of the Security Council is to preserve Russia's state sovereignty, maintain sociopolitical stability in society, and defend citizens' rights and freedoms. This is in line with the vital interests of all Russians, regardless of their social status and party-political orientation. Hence the Security Council's essentially consolidating role in our society.

[Pelts] Is this role manifest in some specific way in the work of the Security Council itself and of its apparatus?

[Manilov] Of course, and quite graphically at that. The Security Council synthesizes the intellect, will, and experience of people, each one of whom plays a key role in his own field as regards the implementation and protection of Russia's national-state interests. Look no further than the Security Council's composition. This synthesis actually produces a statewide policy. Since Russia's interests and its well-being are the supreme criterion of the Security Council's work, there is no room for any departmental or group interests in the practical activity of its apparatus. This is our creed. Let me note with gratification that this creed is essentially shared by all with whom we work in the closest possible business contacts.

[Pelts] And who are they, if it is no secret?

[Manilov] They make up a very broad circle. The service of aides, the main structures of the president's staff, the committees and commissions of the Federal Assembly chambers, the government apparatus, representatives of ministries and departments and primarily of those headed by Security Council members, scientific research organizations, and public associations.

[Pelts] How do you ensure the objectivity of information supplied to the president and other Council members?

[Manilov] This is indeed a very important aspect. The sole correct decision can be adopted only on the basis of comprehensive analysis of the fullest and best possible information. The mechanism used here is simultaneously simple and complex. Under the law we have the right to co-opt any state structure capable of acquiring, accumulating, and analyzing information, as well as the information and analysis organs of all "power" departments, state and scientific centers, and nongovernmental organizations. Briefly, whenever necessary we can call on the entire information and analysis potential available in the country in the process of preparing proposals, recommendations, and decisions on security questions.

[Pelts] Who determines the questions to be discussed at Security Council sittings?

[Manilov] We use the following method. The Security Council secretary submits proposals, taking into account the opinions of Security Council members. They are considered and approved by the president.

[Pelts] There is obviously a plan for the Security Council's work.

[Manilov] Yes. Naturally. But life frequently introduces its own amendments. There are occasions when an apparently routine question turns into a most acute problem demanding solution at the highest level. At other times, when a scheduled question is being discussed at a Security Council sitting, it emerges that other equally important questions arise from it....

[Pelts] And how do you manage to keep this mass of problems under control?

[Manilov] Primarily by setting priorities. You cannot embrace the boundless, as Kozma Prutkov said. And he was right. The important point is to single out the main ones from among the broadest spectrum of problems and concentrate efforts on their solution. A major role in this

selection process is played by the system of interdepartmental commissions which are the Security Council's basic working organs. This system also includes the Scientific Council recently set up under the Security Council, which provides scientific backup for the decisions, recommendations, and forecasts being prepared. This system makes it possible to "stick to" the general avenues of ensuring security while retaining room for maneuver. The commissions are headed by senior officials appointed by the Russian Federation president. They are, as a rule, ministers or first deputy ministers. The commissions coordinate horizontally, as it were, the interests and positions of ministries and departments.

[Pelts] Judging by the scale of the tasks being solved, the Security Council apparatus must be quite sizeable?

[Manilov] The apparatus employs, in addition to technical personnel, just over 100 people. They are mainly highly skilled professionals capable of effectively performing tasks in the interests of ensuring Russia's security at all levels.

[Pelts] Security at all levels.... How many such levels are there?

[Manilov] Three in principle: the security of individuals, the security of society, and the security of the state. They are, of course, inseparable, interlinked, and interconnected. And they are all matters of priority. Nonetheless, the security of the individual is the starting point. Unfortunately, uncertainty is a typical feature of our life today. Many people are losing sight of their reference points. This is frightening. It is, therefore, vitally important to ensure that everyone knows and actually senses that society and the state are concerned about his interests and security.

[Pelts] But in order to achieve this, it is probably necessary to resolve certain specific questions?

[Manilov] You are right. Lev Tolstoy remarked that it is easy to love the whole world, but just try and love some specific person.... There is a multitude of specific questions, including some which, at first glance, do not appear to concern statewide interests but are tackled by the Security Council apparatus as part of its work. From this viewpoint, the questions raised at Security Council sittings are just the visible tip of the iceberg.

[Pelts] The Security Council's composition has been changed on several occasions in the recent past. What is this—a sign of a quest for a "better team?"

[Manilov] I think that this formulation of the question is incorrect. Presidential edicts have effected certain changes in the Security Council's composition—this is correct. They have been prompted by life. Gaydar, Fedorov, and Golushko have departed. Stepashin, Shoygu, and Nikolayev have joined the Security Council. In my view, the president's decisions on their appointments need no comment. These people represent the most important avenues for ensuring Russia's national security. Federal Assembly chamber leaders Shumeyko and Rybkin recently became members of the Security Council. This is in line with the letter and spirit of the Treaty on Social Accord, with the nationwide and statewide nature and scale of responsibility for the fatherland's security.

[Pelts] Valeriy Leonidovich, the question "On the Concept of Russia's National Security" ranks last in the Security Council's work plan. Why is this? Is it possible to speak of ensuring security if there is no concept of it?

[Manilov] The important point is to ensure rather than to talk about ensuring. And this should be done now, today, not tomorrow or the day after. Therefore, the elaboration of the concept is progressing in parallel with the creation of a security system and the mechanisms ensuring its effective operation. Certain fragments of the general concept have already been elaborated and adopted by the Security Council—those concerning the foreign policy and defense spheres. Others are being elaborated simultaneously with the general concept. Bearing this in mind, it has been planned to consider it at a Security Council sitting toward year's end. The main point is that this work is being done within the framework of a unified scheme whose core is to guarantee the ensuring of the protection of Russia's national-state interests.

Economic Issues

Yeltsin Assures Foreign Investors of Stability

LD2806090994 Moscow ITAR-TASS in English 0744 GMT 28 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow June 28 TASS—Russian President Boris Yeltsin dispelled fears of major foreign corporations about high risks of investing into Russia and predicted that stability will last in the country at least until the next presidential elections in 1996.

Yeltsin told a meeting with major foreign investors on Tuesday that their fear to work in Russia is "outdated". "The recent months were the most quiet in political sense during the whole period of reforms in Russia", the president said and expressed conviction that stability will continue to dominate.

Only before the presidential elections in 1996 "a certain political fuss" can occur, he added.

The president underlined that the wave of strikes has gone down in Russia of late. "Which of your countries has no strikes at present? There is no such country, only Russia", he said.

Yeltsin welcomed the arrival of major Western businessmen to Moscow to participate in the work of the Council on Foreign Investments.

"You can see for yourselves what the situation in Russia is", the president said.

The meeting was attended by Prime Minister Viktor Chernomyrdin and heads of such major companies as ABB, BASF, Citicorp, Coca-Cola, Ernst and Young and others.

Chernomyrdin on Measures To Encourage Foreign Investment

LD2706160894 Moscow ITAR-TASS in English 1513 GMT 27 Jun 94

[By ITAR-TASS correspondent Igor Velichko and Gennadiy Yezhov]

[Text] Moscow June 27 TASS—"We are all for directing the main financial streams flowing from abroad into Russia right into the investment sphere", Russian Prime Minister Viktor Chernomyrdin announced on Monday, speaking at a meeting of the Russian Government Consultative Council for Foreign Investments, which he chairs.

Chernomyrdin commented on upcoming legislation which regulates the functioning of and privileges for businesses with foreign investment.

According to the premier, the draft laws include a series of major changes in the tax code for foreign investors. It is proposed to free enterprises with foreign capital from the profit tax for five years after registration, to remove the limitations on capital movement, and to give foreign investors (meaning businesses 100 per cent funded by foreign capital) the right to own land if they construct a new building or expand production.

In addition, businesses with foreign capital will be able to keep all the profit in foreign currency which they receive by exporting goods they produce in Russia. The import of machines, technological equipment, spare parts, raw materials, and component parts for production uses will not be subject to taxes or customs duties.

Shokhin on Concessions for Foreign Investors

LD2706171694 Moscow INTERFAX in English 1543 GMT 27 Jun 94

[Text] Russian Vice Prime Minister, Economics Minister Aleksandr Shokhin has said that Russia is offering foreign investors lease of and concessions for exploiting fuel and raw materials sites, land, forests and setting up joint ventures to process natural resources and agricultural products.

Speaking at the constituent conference of a consultative council on foreign investments in Moscow Monday, he pointed out that creating a climate of trust in investment cooperation with foreign countries was one of the main conditions for Russia's involvement in the world economic order.

Shokhin put special emphasis on the fact that the Russian government took into account foreign investors' opinion with respect to the instability of Russian legislation. The government has suspended the practices of legislating and shaping up their own investment policies by individual ministries and agencies, which would facilitate their relations with foreign partners. At the same time, investors' proposals on lessening investment risks were being considered, and specific measures guaranteeing foreign investments from changes in the legislation were being taken.

"We support creating a system for international arbitration which would enable Russia and its partners to solve their differences in a civilized way," Shokhin said.

According to Shokhin, the government planned to set up a centralized collateral fund of federal property and create analogous structures in the federation items in order to attract foreign capital. This autumn, the government will consider regulations for pledging land, underground, forest and other natural resources as securities and retaining pawned property.

To facilitate the search for and assessment of potential business partners, especially outside Moscow, a list of investment projects with participation of foreign capital was prepared. The list includes more than 500 entries each of them is a specific project supplemented with brief business plans, Shokhin said.

Soskovets: Russia Needs Increased Foreign Investment

LD2706172594 Moscow INTERFAX in English 1612 GMT 27 Jun 94

[Text] Since the very beginning of the reforms Russia has regarded foreign aid as crucial. As a result of this incorrect orientation internal sources were not used to stimulate economic and investment activities, Russian First Vice Premier Oleg Soskovets said at the constituent meeting of a consultative council on foreign investments under the Russian government today.

He said the total volume of foreign investment in Russia remained very small and did not conform with the capacities and needs of the country. "According to expert evaluations, only about 0.1 percent of foreign investments in the world is being placed into Russia," Soskovets said.

The Russian government realizes that during the next five years the economic reforms in Russia will make Russian small and medium enterprises the main source of new jobs, Soskovets said.

However, Soskovets said there was quite a number of negative tendencies in the development of small business. Today there are only about 700 enterprises performing in the sphere of small business and there should be at least 2.5 million or 3.5 million of them.

Soskovets said that small business in Russia was not receiving enough support on the part of Western capital. He added that only the $300 million-credit given to Russia by the European Bank was the most significant one allotted by the West to Russian small and medium business. Soskovets said he hoped that the problems concerning the attraction of Western capital to Russia would be settled by the consultative council on foreign investments headed by Premier Viktor Chernomyrdin.

Economics Official Gives Figures on Foreign Investment

LD2706170694 Moscow INTERFAX in English 1613 GMT 27 Jun 94

[Text] Foreign investments in enterprises on Russian soil at the end of 1993 amounted to $2.7 billion and 4.8 billion rubles (this includes ruble investments in joint ventures with CIS member nations and reinvested rubles). Yakov Urinson, first deputy economics minister, told a meeting, held in Moscow Monday, of the advisory council on investment policy which reports to the government that direct investments (which enable the investors to share in the management and made up more than 10 percent of the enterprise equity capital) accounted for 85 percent of the total, or for $2.3 billion and 4.3 billion rubles. Portfolio investments (which accounted for less than 10 percent of the equity capital and do not enable the investors to share in the management) accounted for as little as 3 percent of the entire amount, 70 million dollars. Other kinds of investment such as trading credits and financial leasing were equal to $282 million and 437 million rubles.

According to the Russian Economics Ministry, the largest share of foreign investments, 23 percent, was made in the engineering industry and metal working, followed by the fuel industry, 15 percent, trade and catering, 14 percent, construction, 6 percent and timber and pulp and cellulose industries, 5 percent.

The ministry reported that foreign investments increased by $1.36 billion and 4.1 billion rubles in 1993.

Gerashchenko Comments on Financial Policy

LD2706184194

[Editorial Report] Moscow Russian Television Network in Russian at 1620 GMT on 27 June carries in its "Details" program an 8-minute recorded interview with Viktor Gerashchenko, chairman of the Central Bank of Russia, conducted by anchorman Nikolay Svanidze.

Asked to comment on the present priorities of the Ministry of Finance, Gerashchenko says: "The Ministry of Finance will have to be rather strict in its budget spending and to allocate credits only to those industries whose survival—with help or subsidies from the state—is dictated precisely by state interests."

Asked to qualify the financial policy carried out at present by the Central Bank, Gerashchenko says: "Well, first of all, there must be a certain degree of firmness in the light of the constant barrage of requests from various industries, who sometimes stick to old habits and keep on asking for money from both the government and the Central Bank. At the same time we must be aware that in certain instances there are industries which must be supported by our economic policy, and that it would be unwise for us to leave our traditional distribution markets in both near abroad and other countries. This requires certain measures of encouragement, the introduction of certain protectionist measures or subsidies.

"The Directors' Council took a decision as early as last year to limit to 12 percent the share of foreign capital within the capital of commercial banks operating on the Russian territory. Certain protectionism is needed here."

Asked how the bank's policy corresponds to the presidential edict, Gerashchenko says: "Completely."

The program concludes with a lengthy comment by Nikolay Svanidze on the need for a certain cohesion between the bank's "elegant" financial policy and the elegance of its premises. The bank is now in the process of a complete revamp of its so-called small conference room in an "imperial epic style". Painter Ilya Glazunov has been approached and he proposed to paint a huge portrait of Czar Aleksandr II signing a decree on the establishment of the Central Bank of Russia. The bank had its doubts and has backed off from the project.

Economics Minister Promises Tax Cuts 'Soon'

LD2706173094 Moscow Radio Rossii Network in Russian 1600 GMT 27 Jun 94

[Text] Russian Economics Minister Aleksandr Shokhin claims the number of taxes will be cut down in Russia soon, the taxation system will become simpler while the tax burden will be reduced by 20 percent on the average. At the same time, according to him, financial discipline will be stepped up. The vice premier said the government plans to postpone temporarily the payment of VAT on imported equipment to speed up its import in Russia. He noted that the State Duma is prepared to back this decision, RIA reports.

Dubinin Says Hyperinflation 'Overcome'

LD2706170994 Moscow INTERFAX in English 1543 GMT 27 Jun 94

[Text] The Russian government will stick to a strict financial policy in 1995, though the country has overcome hyperinflation, acting Finance Minister Sergey Dubinin told a meeting of the government consultative council for foreign investments Monday.

According to Dubinin, the monthly inflation rate will fall from 8-10 percent to 2.5-3 percent at the end of 1995. Production growth, if any, will take place no earlier than the end of next year.

Dubinin informed the meeting of proposals to ease the tax climate being prepared. He said some taxes, including VAT (currently at 20 percent), would be reduced, and the entire list of taxes to be levied in 1995 would be reviewed.

The finance ministry is considering emission of stocks which could be used for payment of taxes, Dubinin said. He added that the government would use a number of tax privileges in order to attract foreign investments to the top-priority industries.

Banking Fraud Attempt Reportedly Linked to LDPR

MK2806095094 Moscow SEGODNYA in Russian 28 Jun 94 p 1

[Vladimir Yarov report under "Detention" rubric: "The Zhirinovskiyites Have Been Entangled Somewhat in Swindling Operations. An Intermediary Between the LDPR and GMM Has Been Caught in an Attempt To Defraud a Bank"—last three paragraphs are commentary by Mikhail Leontyev]

[Text] As SEGODNYA's correspondents have learned from reliable sources, over the past weekend the economic crime unit of Moscow's Southwestern Okrug uncovered and prevented a major financial fraud. According to the police, on 3 May [as published] two young men tried to obtain a credit of 600 million rubles at Perm and Samara banks, producing documents from the First Federal Bank and Transkredit-bank. An investigation showed that the businessmen had used forged documents, and they were soon detained on suspicion of fraud. The two men are Kazachenko, 25, unemployed; and Travkin, who described himself as an LDPR assistant deputy chairman in charge of international affairs. During a search $231,000 in cash was confiscated from the detainees, as well as four copiers, a Remington pump gun, and two hand weapons. We shall report more on the case in one of our next issues.

Especially interesting in this apparently banal crime story is the fact that it is linked directly to reports of the Zhirinovskiy party's being financed by certain subcriminal groups, notably the well-known "Dutch trust company GMM," owned by Nenakhov. According to information from responsible sources, the above Maksim Travkin, who earlier worked for Nenakhov, was an initial link in "informal" financial relations between GMM and the LDPR.

The emergence of Travkin as adviser to the LDPR deputy chairman for international affairs (Aleksey Mitrofanov, who is the next link in the same chain), as well as in lists of Zhirinovskiy party official parliamentary delegations, coincided with Zhirinovskiy's open lobbying in favor of GMM. It is enough to recall the LDPR leader's letter to the premier asking to rein in financial bodies ostensibly hampering the activity of a well-reputed company, and also his letters to state TV companies demanding that they resume GMM advertising, which was suspended following a letter from the Ministry of Finance. (Incidentally, Zhirinovskiy's letter for some reason produced an impression only on the Russian TV and Radio Company, which fulfilled his instructions diligently).

As for the information about an attempt to obtain credit with false documents from the First Federal Bank, the meaning of "false" is yet to be clarified. The fact is that this bank is simply one of the semi-fictitious legal entities organized by Nenakhov. His firm's accounts have been seized by the tax authorities, which serves as legal cause for refusing to return money to GMM clients.

Gazprom Buys Into Foreign Trade Bank

PM2706143194 Moscow IZVESTIYA in Russian 25 Jun 94 p 2

[Report by Ivan Zhagel: "Foreign Trade Bank of Russia Will Now be One-Third Owned by Gazprom"]

[Text] A Foreign Trade Bank of Russia [Vneshtorgbank] stockholders meeting has admitted a number of new members, among them the Gazprom Joint-Stock Company. The latter's contribution to the bank's incorporation capital is $170 million.

What we are seeing happening before our very eyes is the rapid transformation of what used to be a narrowly specialized sectoral enterprise engaged in the extraction and transport of gas into Russia's largest financial and industrial group, whose interests are beginning to extend to all spheres of economic life.

IZVESTIYA recently reported on Gazprom's desire to become involved in the delivery of energy resources in the European market direct to the consumer, the construction in Germany of its own pipeline, and the acquisition of real estate there worth 1.7 billion German marks. Now there are these new facts, providing evidence of Gazprom's penetration of the banking sector.

Incidentally, the $170 million in incorporation capital means that Russia's largest commercial bank will now be more than one-third owned by the Gazprom Joint-Stock Company. This is a very appetising morsel, especially if you bear in mind that the bank specializes in foreign economic operations and controls a considerable proportion of them. As Russian Vneshtorgbank Chairman Yuriy Poletayev said, they now service approximately 30 percent of the country's entire foreign trade turnover.

The Russian Vneshtorgbank is also an appetising morsel because last year, for example, it made a profit of 178.2 billion rubles [R], or an increase of 9.4-fold. In the first five months of this year alone, the bank's profit was R162 billion. Of course, a major contributory factor to the growth of all the bank's indicators was that in 1993 a vast number of the former clients of the USSR Vneshekonombank, some of its largest ones, furthermore,

brought their business here. They thus brought money and lucrative operations and ensured a rapid increase in revenue.

However, the fact that Gazprom has become a shareholder in the Vneshtorgbank does not mean that the joint-stock company will henceforth trample the bank underfoot. On the contrary, it will go at least a small way toward balancing out the influence of the state, which, in the form of the Russian Central Bank, previously held more than 90 percent of the incorporation capital and, of course, was able to exert a definite influence on the bank's leadership. Furthermore, none of the other shareholders was physically able to invest in the incorporation capital a sum large enough to significantly reduce the state's share. Only Gazprom has managed to do that.

It is interesting that, in Yu. Poletayev's words, the Central Bank's contribution to the Vneshtorgbank's incorporation capital consisted of 50 tonnes of gold, which for a long time lay in the vaults like a dead weight, and it was only recently that the bank was given permission to send the gold abroad, where it began to work and bring the bank revenue. But it is also equally interesting that when last year's profit was distributed, the Central Bank received nothing—its gold deposit was not put to work last year and thus did not earn anything.

Approximately 1 Percent Reported Jobless

LD2706155994 Moscow ITAR-TASS in English 1533 GMT 27 Jun 94

[By ITAR-TASS correspondent Yekaterina Zhilyakova]

[Text] Moscow June 27 TASS—Practically one in a hundred Russians is unemployed or is registered by the state employment agency as "not being occupied by working activity," i.e, jobless. Most of the Russian unemployed are women and unskilled workers, since those are the ones most often laid off.

Statistics show that there are almost one and a half million jobless in Russia now. One million 219 thousand of them had been officially recognized as unemployed. Two out of every three people on the dole are former unskilled labourers.

Women are the unluckiest of all in the job market. Two-thirds of the jobless are women. Moreover, the youngest seem to suffer disproportionately: every third is in the 16-29 age group.

Military & Nuclear Issues

Spokesman Denies CW Information Concealed

LD2806123494 Moscow INTERFAX in English 1111 GMT 28 Jun 94

[Text] Claims that Russia is concealing information about chemical weapons are "totally groundless". Such a statement was made in an interview with INTERFAX on Tuesday by the Foreign Ministry's Spokesman Grigoriy Karasin following accusations made in the course of congressional hearings in the U.S. recently.

He reported that in keeping with an intergovernmental memorandum on chemical agents, Russia and U.S. had exchanged data on their military and chemical potentials in May.

"This data is being studied and analyzed in Russia and the U.S. after which, in accordance with the memorandum, each country will carry out five inspections of the other country's facilities. This will enable them to make sure that the data is correct," Karasin said.

He said Russian experts note that the information received from the American side needs to be clarified.

"We believe that the proper channels of interaction should be used if these doubts are to be removed."

Yeltsin Addresses Ceremony on Military Reform

LD2806101694 Moscow Mayak Radio Network in Russian 0900 GMT 28 Jun 94

[Text] A reception in honor of graduates of Russia's military academies was held in the Kremlin today. The Russian president spoke at it. Touching upon problems of the military reform, Boris Nikolayevich Yeltsin said the following:

[Begin Yeltsin recording] The main area of our military policy is reform of the armed forces. They should meet the actual requirements needed for sufficient national defene. Gradually, and I stress here, gradually, the strength of the army will be reduced and brought down to 1.5 million servicemen. The mechanism for building the army up to its required strength will also undergo gradual changes. There is talk about increasing the share of servicemen undergoing military service on contracts. We will continue to devote much attention to developing the new military infrastructure in Russia and providing it with everything necessary as quickly as possible. We need to learn how to implement a balanced military-technical policy. The root of the problem is that tasks we tackle should correspond to the actual possibilities of the country's economy.

It is no secret that today our funds are limited and that this is sharply reflected on the army. This is why it is even more important to allocate these funds wisely. We will have to reduce the number of various types of weapons and their modifications, material support for them, the range of ammunition, supplies, and spare parts. Multiplicity is an unacceptable luxury right now. We need unification. At the same time, it is also categorically unacceptable to waste in the name of arms reduction a unique scientific and technical potential created by the armed forces. There are international treaties and agreements, and we will honestly fulfill the responsibilities which we had taken upon ourselves. But any so-called overdoing on our part is totally out of

question. This is a clear position taken by the president, and the supreme commander in chief, and this is a demand of principle to the leadership of the armed forces. [end recording]

Defense Industry Production Slump Intensifies

PM2706143194 Moscow KRASNAYA ZVEZDA in Russian 25 Jun 94 p 4

[Aleksandr Manushkin report under "Alarm Signal" rubric: "Trade Unions Prepare for Strike"]

[Text] The second (extraordinary) conference of the All-Russia Defense Industry Workers Trade Union took place 21 June in Moscow. The conference participants described the current situation in the defense sector as critical. Not only has the slump in the production of both military and civilian output not been halted but, on the contrary, it is snowballing. While it was 34.3 percent in January 1994 compared with the corresponding month last year at constant prices, it was 48.7 percent in April. In April the rate of decrease of production in the civilian sector (49.1 percent) exceeded the fall in military production (47.6 percent) for the first time.

The wave of stoppages at enterprises and production facilities is swelling. Ten of the sector's 176 enterprises have stopped work completely and 123 are working an incomplete working day or week, and 284,000 people are on enforced leave. The low level of wages (30,000-40,000 rubles at a number of enterprises), delays in paying them, the massive nature of job cuts, and the destruction of enterprises' social sphere are causing dissatisfaction and an increase in tension in labor collectives.

The conference demanded that legal action be taken against officials of state administration organs for the long delays in paying for products manufactured under state orders and consequently for the late payment of wages to defense enterprises' workers.

KRASNAYA ZVEZDA has already reported on the sector trade union's picketing of the Russian Government building and on defense sector working people's rallies accompanied by a 10-15-minute stoppage of the production of civilian output, which were held in April-June. The defense industry trade union is now deciding the question of holding a one-day strike accompanied by economic and political demands.

Mir Cosmonauts Continue Mission

LD2806103694 Moscow ITAR-TASS in English 1029 GMT 28 Jun 94

[By ITAR-TASS]

[Text] Mission Control Centre June 28 TASS—Russian cosmonauts Viktor Afanasyev, Yuriy Usachev and Valeriy Polyakov are carrying on their mission on board the orbital complex Mir.

They carried out several sessions of photography of various regions of the planet under the environmental study programme. Photography is to be continued on Tuesday.

The mission commander with the help of the research physician will undergo a comprehensive examination of the cardiovascular system by an ultrasonic method with the use of the pneumatic-vacuum space suit Chibis. Technical maintenance of equipment and instruments of the station is also planned.

The handling of the progress M-23 automatic cargo spacecraft is being finalised. On Monday the joint propulsion plant of the station was refuelled and the second fuel component—oxidiser—is to be pumped on Tuesday.

According to reports from orbit, the flight is proceeding normally and the cosmonauts are feeling well.

Federal Assembly

Upper House Okays Peacekeeping Force for Georgia

PM2706133794 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jun 94 First Edition p 1

[Russian Federation Federal Assembly Federation Council Decree No. 136-I SF, signed by Shumeyko and dated 21 June 1994: "On the Use of Russian Federation Armed Forces To Carry Out a Peacekeeping Operation in the Georgian-Abkhaz Conflict Zone"]

[Text] Having examined the Russian Federation president's appeal No. Pr-714 of 9 June 1994, and given the repeated requests from E. Shevardnadze, Georgian head of state, and V. Ardzinba, chairman of the Abkhaz Supreme Council, the Federation Council decrees, in accordance with Article 102 Part 1 Paragraph "c" of the Russian Federation Constitution, that:

1. The use be permitted of a contingent of up to 3,000 men from the Russian Federation Armed Forces with an initial mandate of six months to carry out a peacekeeping operation in the Georgian-Abkhaz conflict zone on a voluntary basis.

2. The Federation Council Committee for Security and Defense Issues, the Federation Council Committee for CIS Affairs, and the Federation Council Committee for International Affairs be instructed to monitor the implementation of this decree.

3. This decree comes into force from the moment it is adopted.

[Signed] V.F. Shumeyko, chairman of the Russian Federation Federal Assembly Federation Council
[Dated] Moscow, 21 June 1994
No. 136-I SF

Duma Defense Official Urges More Arm Sales to China

LD2706132194 Moscow ITAR-TASS in English 1214 GMT 27 Jun 94

[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Andrey Sitov]

[Text] Moscow June 27 TASS—Present-day Sino-Russian cooperation should also cover military technology, Sergey Yushenkov, chairman of the State Duma Committee on Defence, told ITAR-TASS.

"All basic types of Chinese armaments are virtiually the same which the Soviet Army relied upon. China, it seems, is interested in our weapons by virtue of the established conditions. I do not see any reasons that would preclude at least the maintenance of the level which has been achieved in this respect," Yushenkov said.

"The United States has renounced a ban on the granting of the most-favoured-nation trading status to China. Why should Russia keep aloof? If the United States has granted such a status, it has serious grounds to draw conclusions on the state of affairs in China. One can cast doubt on the conclusions, of course. But this, to my mind, would cost a pretty penny," the parliamentarian recalled.

Army Paper Views Breakdown of Duma Voting on Budget

PM2706141594 Moscow KRASNAYA ZVEZDA in Russian 25 Jun 94 p 1

[Report by Vladimir Yermolin: "Budget Law Adopted. Army's Interests Unaffected"]

[Text] It has happened: The State Duma has adopted the Law on the Federal Budget for 1994 in its entirety. In the section which concerns us, the military, it can be said that nothing has changed. In point of fact, the debate over defense expenditure was closed back at the second reading. But certain details will probably be of interest to KRASNAYA ZVEZDA's readers.

Individually, the results of the vote were as follows: 278 for, 80 against, with eight abstentions; 89 deputies did not vote [figures as published do not correspond with referent item]. By comparison with the second reading the number who said "no" to this budget doubled. Sergey Yushenkov, chairman of the State Duma Defense Committee, explained to me that "the abstentions and nonvotes are also votes against. That is how we will look at it. In total 177 did not agree with the government distribution of expenditure and revenue (and therefore with the reduced defense budget)."

As for the vote by factions, 81.8 percent of the Russian Agrarian Party, 0 percent of "Yabloko" [Yavlinskiy Bloc], 64.1 percent of "Russia's Choice," 73.3 percent of the Democratic Party of Russia, 10.9 percent of the Liberal Democratic Party of Russia, 79.3 percent of the PRES [Party of Russian Unity and Accord], 90.9 percent of "Women of Russia," 73.1 percent of "New Regional Policy," and 56.2 percents of deputies not belonging to factions voted for the budget.

By comparison with the second reading (compare the publication of the results of individual voting in KRASNAYA ZVEZDA for 16 June) Zhirinovskiy's party has radically changed its stance—the majority of those who voted for the budget at the second reading today voted against.

Sergey Yushenkov told me that in conversation with him Russian President Boris Yeltsin had confirmed his recent press conference statement that the Army will be financially "topped up" from extrabudgetary funds. The only issue now is to ensure that the money is transferred from the Ministry of Finances to the Ministry of Defense promptly and under the requisite controls.

Deputies Comment on Anticrime Edict

PM2706114794 Moscow TRUD in Russian 25 Jun 94 p 2

[Report by Nikolay Dorofeyev: "Duma Has Its Own Thoughts on Crime"]

[Text] The fact that a wave of crime is lashing Russia today is obvious to everyone. Criminal terror, even if it is not aimed at a specific person, can affect anyone with a stray bullet or shock wave.

The crime situation has reached a dangerous limit which requires urgent measures to be taken. Russian Federation President Boris Yeltsin offered his vision for a way out of the crime crisis in his 14 June edict "on urgent measures to protect the population against gangsterism and other manifestations of organized crime." We shall not recount its content, it is known. But it is no secret either that this edict has generated a far from homogenous reaction among Russia's political circles. Virtually all factions of the State Duma unanimously denounced the president's scenario for urgent measures to fight crime. Why? Here are the opinions of representatives of various factions and deputies' groups.

"It seems to me," believes V. Sheynis ("Russia's Choice") "that there is a very dangerous game involving political slogans under way. Both the president's team and the State Duma members are taking part in it. The situation which is taking shape around the struggle against crime is reminiscent of the one which occurred last summer with the sovereignization of former autonomous regions. At the time both the president and the Supreme Soviet were seeking to win the support of the autonomous regions and rushed to surrender their positions quickly. There was a game of give-away.

"Something similar is happening now. But something more dangerous. Indeed, the situation regarding the rampage of crime perturbs and affects everyone. But how

to fight it? Through fly-swatting, that is by adopting widely publicized acts, including acts connected with the violation of constitutionally guaranteed human rights, or by waging a hard struggle against crime?

"The main problem here is by no means the lack of a legislative base, as many people believe. Even the base which exists is adequate. That the organs which must engage in this and their cadres, orientation, and conduct are not appropriate to the situation which has now taken shape is another matter. In my view that is the main problem where the main efforts should be made.

"As for the president's edict itself, it would be far more appropriate for it to be submitted to the duma as a draft law."

The viewpoint of A. Lezdinsh ("12 December" deputies' group) is virtually the same as what V. Sheynis said. He also believes that with the existing legislative base the law enforcement organs are quite able to struggle against organized crime. Especially since as a result of protracted talks on this subject the technical equipping and quantitative composition of the internal affairs organs staffers has nonetheless increased. The edict signed by the president, in A. Lezdinsh's opinion, if it is fulfilled will return Russia to a time over 50 years ago, to an era when the qualitative borders between legality and tyranny were eroded.

The edict, A. Lezdinsh believes, will not lead to the stepping up of the struggle against crime but on the contrary could very well serve as the fuse for large-scale conflicts with the participation of large groups of the population. And at the same time a lever to the transfer of the state's management to a totalitarian regime. This edict, the deputy believes, must be repealed as regards the section which contradicts the Constitution and we must return to the package of draft laws on the struggle against crime which the president and government promised three months ago to submit to the Duma.

While in no way casting doubt on the right of the country's president to issue edicts regulating relations in society, V. Zorkaltsev (Russian Federation Communist Party faction) also voiced his negative attitude toward the question. The document, which affects the interests of the overwhelming majority of people and makes it possible to defend their interests by invading their private lives must be drawn up only in the form of a law, whose draft could very well be submitted by the president. Provisions like detention for 30 days, the checking of private accounts, the virtual abolition of concepts like commercial and banking secrets—this is all absolutely intolerable. Unfortunately the edict does not even provide for measures of liability for militia staffers for the actions they perform.

But there is one phenomenon which already as it were stands outside the framework of this edict and which cannot fail to alarm us. I am sure, V. Zorkaltsev believes, that it was received with approval by the overwhelming mass of Russians. But you only have to recall a newsreel of the thirties. In that newsreel citizens were also going to show trials carrying placards reading "Shoot the enemies of the people!" They walked with confidence. This situation must not be repeated today. Because in the ordinary people's consciousness the idea still lives that the only important thing is for order to be introduced, even if it is with an "iron hand." But that "order" will be a screen for settling accounts and winning political stability, the deputy is convinced. Because what is needed is not en edict but a law on the struggle against crime adopted by the Duma, approved by the Federation Council, and signed by the president, he believes.

V. Isakov (Russian Agrarian Party) is now less sharp in his description of this Russian president's edict. He believes that this document abolishes fundamental guarantees of law and order and legality stating that citizens' rights and freedoms can be restricted only by the law. The very fact of the edict's publication violates the norms of the Constitution and of the criminal procedure code.

It is not even a case of how serious the restrictions envisaged by the edict are, the deputy believes. Ultimately the supreme measure is not envisaged in them. But the very fact that the president is invading this sphere is evidence that he may reach it in the future since the norms and restrictions envisaged by the Constitution no longer exist.

To a lawyer it is obvious, V. Isakov continues, that the edict has no mechanism of implementation. The constitutional principle of the law's supremacy has not been repealed by anyone. And in court, when a law and an edict clash, lawyers will be obliged to apply the law. Thus the result of the edict is in fact not to step up the struggle against crime but to weaken and disorganize that struggle.

The deputy is convinced that the struggle against crime must be waged on the basis of the existing legislative system. Undoubtedly, by improving it, in the sphere of monitoring incomes, for instance, and of the liability of state employees and special protection for witnesses....

Actually, there are also different viewpoints in the Duma. In the opinion of Democratic Party of Russia leader N. Travkin we can no longer deal with crime by civilized methods and we must not argue with the edict but rapidly adopt laws which make it possible to wage a real struggle against crime. Deputy V. Lipitskiy also advocates extraordinary measures, believing that the president's edict has merely defined measures which the Duma should have adopted.

Federation Council Protests Latvian Citizenship Law

PM2706134794 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jun 94 First Edition p 1

[Unattributed report: "Increasing the Minimum Wage"]

[Excerpt] [passage omitted] The federal law on increasing the minimum wage, adopted by the State Duma, was yesterday approved by the Federation Council and should come into force 1 July. As is well known, the minimum wage is increased by 40 percent on that day—that is, from 14,620 rubles [R] to R20,500 a month.

At the same time, deputies instructed the Committee for Social Policy to work out with each region within two weeks the question of the source of funding for the increased wage, so as to ensure that this decision, which the people need so much, does not remain an empty intention.

The upper house also approved the federal law on amendments and additions to the RSFSR Criminal Code and Code of Criminal Procedure, which had been sent to it by the State Duma. The law "On the Russian Federation's State Foreign Borrowings and State Loans Granted by the Russian Federation to Foreign States" was also approved.

The Federation Council yesterday adopted an appeal to the CSCE parliaments in connection with the Latvian Saeima's adoption of a citizenship law.

The document notes that this law was adopted "despite numerous protests from the international community and regardless of the recommendations made by the CSCE, the Council of Europe, and a number of international experts." Thus, the Latvian authorities have "ignored generally accepted standards in the human rights sphere," the appeal notes.

The Federation Council called on them to "uphold the principles of humanism that are being asserted in Europe, to prevent Latvia from sliding into aggressive nationalism, and to avert the emergence of a seat of tension in the Baltic region."

Committee Says Agricultural Situation 'Catastrophic'

LD2806094094 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 28 Jun 94

[From the "Novosti" newscast]

[Text] The Federation Council committee for agrarian policy has described the situation in the Russian agro-industrial complex in 1994 as extreme and catastrophic. In its statement it forecasts a production slump in agricultural enterprises of all types of ownership in 1994. It suggests that compared to average annual figures for 1986-90, production will fall by between 45 and 50 percent. The committee believes that in those conditions emergency economic measures are needed to support the agricultural sector.

Chubays Supports Duma Demands on Privatization

LD2406224694 Moscow ITAR-TASS World Service in Russian 1419 GMT 24 Jun 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 24 June—Anatoliy Chubays has reacted very quickly to deputies' demands in the State Duma today to create a solid legal basis for the privatization process. The chairman of the state committee for the management of state property sent a telegram which was circulated as quickly among the deputies during the plenary session.

"Taking into consideration the wishes of the deputies and on the basis of the presidential resolution of 10 June 1994, I think it would be expedient for the government to submit for the State Duma's consideration the bill "On the state program of privatization of state and municipal enterprises," Anatoliy Chubays wrote. He told the parliamentarians that the state committee for the management of state property had already prepared such a bill and it could be submitted to the State Duma immediately after Prime Minister Viktor Chernomyrdin's return from his foreign business trip on 25 June.

Duma Subcommittee Prepares Draft Law on Banks

LD2706133094 Moscow ITAR-TASS in English 1229 GMT 27 Jun 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow June 27 TASS—Pavel Medvedev, chairman of the Russian State Duma sub-committee for banking legislation, admitted on Monday that perhaps foreign banks should be allowed limited operations on Russian territory.

"In that question we, as legislators, have no disagreements with the Central Bank's position", he announced at a press-conference held in the Duma. Medvedev explained that limited penetration of the Russian financial market by foreign banks "would help our banking system to become more stable and civilized".

The sub-committee head showed reporters the draft of a new edition of the acting law "On Banks and Banking Activity". The sub- committee hopes to submit the new draft to the full chamber for its first reading at the beginning of this June.

Medvedev stressed that the changes to the law are designed to eliminate the contradictions which industrialists and financiers now constantly encounter in the banking business. In particular, banks will be required to offer clients full information, which is often not done

now, since the law on that topic is not fully clear. "Therefore, the banking system will become more transparent", he explained.

Commenting on the fact that there are a significant number of organisations in Russia who are carrying out banking operations without the appropriate license to do so, Medvedev reported that the new version of the banking law contains an amendment which would protect depositors' savings and clearly indicate which banks have the necessary licenses and what will happen to those banks which ignore the law. The chairman said that the Russian Government's decision to tax the interest which citizen's receive on their bank deposits was "politically shortsighted".

Medvedev also underlined that the new version of the banking law included provisions to make money-laundering more difficult and establish stricter control over the origin of funds which are deposited in banks. In accordance with these goals, some depositors will have to submit declarations proving that the money they would like to deposit is really their own.

Regional Affairs

No. Ossetia, Ingushetia Sign Refugee Return Agreement

MK2806104094 Moscow NEZAVISIMAYA GAZETA in Russian 28 Jun 94 p 3

[Natalya Pachegina report in the "Northern Caucasus" column: "Galazov and Aushev Have Signed an Accord. Today 12,000 Ingushi Live in North Ossetia"]

[Excerpt] Although, contrary to Ruslan Aushev's wishes, the document signed the evening of 26 June in Beslan, (Vladikavkaz Airport) "On Procedures for the Return of Refugees and Forced Resettlers to Places of their Former Residence," did not become a full-scale treaty "resolving all the urgent problems between North Ossetia and Ingushetia," it definitely not only filled a temporary pause in the Vladikavkaz-Nazran dialogue but, with both sides willing, can be accepted as guidance for action.

Coordinated in detail at the level of conciliation commissions from both republics and with the participation of officials from the Provisional Administration, the document envisions an extended preparatory stage, part of which, it needs to be recognized, has already been completed: Lists have been made up of Ingushi citizens who earlier lived in North Ossetia (the starting point is 31 October 1992 or—here Vladikavkaz showed flexibility—on the basis of any other documents confirming residence registration in the republic). Public security on resettlement territories is entrusted to the forces attached to the Provisional Administration and the Internal Affairs Ministry of North Ossetia. As NEZAVISIMAYA GAZETA's correspondent was told, if any of the newly arriving Ingushi citizens express the wish to join North Ossetian law enforcement bodies, this wish will be granted immediately. The problem of "screening"—so painful in the previous talks—has been resolved quite happily in the document: The sides agreed that the return of the refugees must not depend on the presence of criminal elements among them, while the extent of their guilt will be established by the relevant bodies.

Under the document signed, development of the social infrastructure in Prigorodnyy Rayon villages is to begin on 1 July. The first to return to their homes will be the owners of houses that are still intact. The "prime contractor" will be the Russian Ministry for Emergency Situations; its representatives will ensure the building of temporary structures for people who lost their homes and property to fire. In accordance with the agreement, work related to the return of Ingushi citizens will be financed by federal power bodies which, as NEZAVISIMAYA GAZETA's correspondent understands, have not up to now unduly forced their attention on either side. Coordination (transportation, communication, and escorting) has been assigned to a special department formed in the Provisional Administration, which is to draw up a schedule for the transportation of citizens by 5 July.

Vladikavkaz hopes that the newly arriving Ingushi citizens will not only recognize the republic's territorial integrity and its laws and renounce any attempts to propagate interethnic strife, but will also show an example of obeying the law to all other citizens of North Ossetia. According to statistical reports by the Republic of North Ossetia, since November 1992, 12,000 Ingushi have retuned to the republic for permanent residence. [passage omitted]

Zhirinovskiy Accuses Governor of 'Antistate' Moves

LD2706143794 Moscow ITAR-TASS World Service in Russian 1309 GMT 27 Jun 94

[By ITAR-TASS correspondent Evald Kessariyskiy]

[Text] Nizhniy Novgorod, 27 Jun—Vladimir Zhirinovskiy, leader of the Liberal Democratic Party of Russia [LDRP] faction in the State Duma, who is visiting here, is today at the center of another political scandal. He sat himself in the chair of the governor of Nizhniy Novgorod oblast to use the government communications telephone to notify the president's secretariat, the government, and the Russian Federal Counterintelligence Service of the obstruction he and 11 other members of an LDPR parliamentary delegation encountered during their visit to the town.

In a statement for the press, the visitor from Moscow accused the local authorities of nothing less than "gross violations of the law on the status of deputies and of the Russian Constitution." "Yesterday, at the airport," the LDPR leader said, "we were met by pickets, bussed in just for the plane's arrival. There was heckling from the

crowd, not only directed at us, but also at the president. It transpired that the demonstrators did not have permission to stage a picket, yet the hecklers were led by an assistant of the Nizhniy Novgorod governor."

Zhirinovskiy expressed dissatisfaction that his delegation "was not given an escort group," as a result of which it was forced "to travel in the town at its own risk." He said that planned meetings with workers at the "GAZ" joint-stock company and the machine-building works, and also in the town of Dzerzhinsk, had been cancelled. An air balloon bearing the words "Zhirinovskiy—No Way!" floated in the sky above the Volga.

The LDPR leader alleged that he tried to meet the governor, [Boris] Nemtsov, but without success. Other leaders of the administration also were unwilling to meet the visitor from Moscow. When he did eventually decide "to inform Sergey Filatov, Yuriy Yarov and Sergey Stepashin about these events," people "threw a monkey wrench—they switched off the government communications line." Zhirinovskiy called this antistate activity, which is taking place "at a point when political parties and movements have actually achieved a fragile accord, by signing that document [as received]."

He said he intends very soon to raise the issue of the immediate dismissal of governor Nemtsov from his post at the State Duma.

Occupies Nizhniy Novgorod Governor's Office

LD2706193694 Moscow INTERFAX in English 1836 GMT 27 Jun 94

[Text] The leader of the Liberal Democratic Party of Russia (LDPR), Vladimir Zhirinovskiy, has left the office of Nizhniy Novgorod Governor Boris Nemtsov that he had seized for two hours supported by other deputies of the State Duma and local party activists. Zhirinovskiy was not satisfied with the reception he had been given and in protest seized the office of the governor, currently on a visit abroad.

The LDPR leader left the administration building promising to "kick out" the governor's female secretary and execute his assistant by firing squad.

At a meeting with the public in the House of Architects, Zhirinovskiy spoke against the restoration of the former Soviet Union, because in then [as reveived] "the republics would have to be fed." Instead, he supported "a Russian state within the borders of the former Soviet Union." Zhirinovskiy promised to accomplish the task and abolish ethnic formations within Russia in five years, if he came in power.

At the same meeting, State Duma LDPR Deputy Yuriy Kuznetsov said that "only Russians must rule Russia, as Chechens in power may squander Russia's assets to their villages, while Jews could smuggle them all abroad."

On June 28, Zhirinovskiy is scheduled to visit Arzamas-16, a center of the nuclear industry.

Nemtsov Files Suit Against Zhirinovskiy

LD2806093294 Moscow ITAR-TASS in English 0859 GMT 28 Jun 94

[By ITAR-TASS correspondent Evald Kessarijskiy]

[Text] Nizhniy Novgorod June 28 TASS—Reformist Governor of Nizhniy Novgorod Boris Nemtsov filed a lawsuit against Russian nationalist leader Vladimir Zhirinovskiy who he accused of breaking into his office in his absence after which several documents and souvenirs disappeared.

TASS learned from the prosecutor of the region Aleksandr Fedotov on Tuesday that Zhirinovskiy is accused of violating the law on the status of lawmakers which fixes inviolability of their offices. Nemtsov is a member of the Federation Council, the upper chamber of the Russian parliament.

The incident occurred during a recent visit of Zhirinovskiy to the city on the Volga where the leader of the Liberal Democratic Party was met by angry residents shouting "go home" to him.

Zhirinovskiy qualified the "welcome" as "infringement on personal prestige" and wanted to clear up the issue with the local governor.

Nemtsov was out of his office at the moment. However, Zhirinovskiy used his government telephone to report his complaints to the presidential administration, the government and the Federal Counter-Intelligence Service. According to the staff of the governor, Zhirinovskiy resorted to numerous threats against them.

Shakhray Foresees Equal Rights for Regions, Republics

LD2706084694 Moscow INTERFAX in English 0632 GMT 27 Jun 94

[Text] Russian Deputy Prime Minister Sergey Shakhray told Interfax that the country's regions and territories would inevitably acquire the economic and legal rights now enjoyed by its republics.

He said that 18 out of 21 republics incorporated in Russia were much weaker economically than nearly every region. Shakhray thought that inter-regional association such as the Siberian Accord had become a way to achieve horizontal integration of territories and regions and a new Russian regional policy.

Shakhray said that an agreement between the central government and eight inter-regional associations that had been drafted more than six weeks ago could be signed very shortly.

Shakhray Discusses Finances, Migration in Magadan

OW2806063494 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 25 Jun 94

[From the "Pacific Ocean" program]

[Text] The government adopted a decision in April to create a federal fund to finance the early shipment of cargoes to the North. A government commission headed by Deputy Prime Minister Sergey Mikhaylovich Shakhray is responsible for the distribution of the funds and the supervision of their use. During a news conference held as a part of his working visit to Magadan, he told of how this commission works:

[Begin Shakhray recording] This is not a tourist trip—this is the work of a government commission which has the powers to solve some of the problems on site. This is how the commission works: First, ministries represented by people empowered to make decisions—usually by a deputy minister—work here with the appropriate department of the administration. There are a lot of examples: For example, the MPS [Ministry of Railroads] in Krasnoyarsk Kray port solved several questions on the spot; several problems were directly solved in Surgut. This same applies to Magadan Oblast.

This is not just an exchange of opinions and information; having discussed the volume of supply and financing, we are actually preparing a government document containing instructions on volumes, on what should shipped where, and how it should be done and implemented. In other words, this is not a familiarization tour and not a scientific and practical conference.

Therefore, I hope—no, I am certain—that the situation will change after this visit, not in the least because we have squeezed out the first part of the financial aid of 55 billion rubles as part of the preparations for this visit. The head of the administration is now able to maneuver and make decisions which we are also discussing here. Therefore, this is practical work, and we will do everything to guarantee the minimum of functions necessary for the North to survive. This means Russia's wealth, and of course, people, specialists, and resources.

But one should be honest and candid—it has been mentioned that under the conditions of the budget financing for 1994, we will be forced to work under stressful conditions and will be able to provide only a minimum, or maybe even bordering on the minimum of what the North, in this case, Magadan Oblast, needs. I am referring to petroleum products, coal, and a supply of food reduced for the federal budget. [sentence as heard]

Moreover, there are issues critical to the oblast which have to do with other kinds [of products]. We explored various ways of applying efforts. A new system of financing was employed this year—instead of financial resources being scattered across many organizations, in the case of Magadan Oblast, practically all of it is deposited as a part of the budget in a special account available to the head of Magadan Oblast. His task is organizing the preagreement work, to check on suppliers and consumers and their transportation systems—the selection is not very varied here—so as to organize this work and to prevent the scattering of funds.

We have allocated Magadan Oblast 50 billion rubles for this fund from the federal fund. It is a budget subsidy with an interest rate which is a little less than 70 percent of the interest rate charged by the central bank. So, in effect, these are preferential conditions for financing. We have allocated Magadan Oblast 50 billion rubles for this fund, and you can judge the demands for yourselves because according to the limited calculations of the oblast itself, it needs more than 300 billion rubles. This is the sum which, together with centralized credits amounting to about 35 billion rubles, would allow us to start work, and to start it by bringing cargoes in.

We have decided on a protocol which would allow us to finance at least 70 percent of all the demand for cargoes brought in. When the icebreaker fleet starts working, or when Severo-Evenskiy Rayon, as a rayon of Magadan Oblast, closes completely during a time of limited incoming shipments, it will already be too late. Therefore, July is a key month, and in organizing the work itself, the Magadan Oblast Administration gives me hope that we will overcome this task through joint efforts. We must not turn the North into yet another source of Russian refugees—not only from the South, as has been the case up until now, but from the North as well. However, you must understand that the people who remain in the North must be those who would be guaranteed work, and who would be able to live under conditions in which their children, family, and environment would be protected.

Therefore, gold mining and other areas of development of Magadan Oblast... [pauses] we have examined the issue of the two hydroelectric power stations, and it is clear that there will be a redistribution of resources, that new work places will have to be looked for, and that there will be an exodus from Magadan Oblast. However, this exodus must be an organized and a planned one, and we have inspected the issue of the supply of containers, of compensation, and of the fulfillment of government edict No. 11-41 of last year on the payment of this compensation. I do not want these processes to become uncontrolled or unplanned, and it is desirable that even people leaving Magadan Oblast or moving from the northern part of the oblast to its south survive as the potential of the Far East and the Russian North. [end recording]

Rybkin Favors More Fiscal 'Leeway' for Regions

LD2706163394 Moscow INTERFAX in English 1443 GMT 27 Jun 94

[Text] Ivan Rybkin, State Duma chairman, told journalists in Petropavlovsk-Kamchatsky that the country's

regions had to be given more leeway and that the Duma would do just that in discussing the 1995 budget. He thought that the Russian Far East could solve its problems without federal subsidies.

Rybkin currently heads a group of parliamentarians touring Siberia and the Far East.

Asked about the proposal, made by Vladimir Shumeyko, chairman of the Federation Council, the upper house of the Russian parliament, that elections to the the Federal Assembly be put off, Rybkin emphasized that parliament had to earn this honor and that two-thirds of the country's regions and republics had to endorse this step.

He admitted that people were obviously tired of elections but said that the logic of life as well as the Constitution were against this step.

Rybkin Stresses Russian Rights to Kuril Islands

LD2806091694 Moscow ITAR-TASS in English 0818 GMT 28 Jun 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Yuzhno-Sakhalinsk June 28 TASS—Russian State Duma speaker Ivan Rybkin said the disputed Kuril Islands claimed by Japan should remain Russia and be granted special rights in economic development.

"The Kurils are our Russian islands", Rybkin said on Tuesday after visiting the picturesque Iturup Island. He quoted local residents as telling him that "such beauty should not be lost".

Rybkin stressed that it is necessary to pay more attention to the development of the islands "especially in the current crisis conditions in economy". He proposed to adopt a law on the Kurils and Sakhalin which will "grant special rights to the region mostly in economic issues". This would be for the benefit of Russia in general, according to him.

The speaker also urged to pay more attention to the military serving on the islands. He said the unit which he visited on Iturup has only 21 per cent of the necessary personnel and faces constant financial problems. "It is necessary to decide once and for all that the units deployed on the islands should be manned first and have priority in getting all the necessary supplies", Rybkin said.

He welcomed the recent anti-poaching operation held near the Kuril Islands as it ended the ambiguity to who the islands belong. "This was not just a training for coast guards, but protection of our economic interests", he said and added that "a certain ambiguity regarding the Kuril Islands gives rise to a desire of some countries to go and make a profit at the expense of others (by fishing) actually in our internal waters".

Rybkin stressed that such actions are completely inadmissible in other countries.

Defense Ministry Owes Pacific Fleet R70 Billion

LD2606203994 Moscow Radio Rossii Network in Russian 2000 GMT 26 Jun 94

[Text] The debt of the Russian Defense Ministry to the Pacific Fleet since the beginning of the year amounts to around 70 billion rubles. This was revealed at a meeting between State Duma Chairman Ivan Rybkin, who is leading a parliamentary delegation on a tour of Siberia and the Far East, and the Command of the Fleet in Petropavlovsk-Kamchatskiy. Apart from financial problems, the meeting also focused on the problems of manning the armed forces and scrapping stocks of ammunition.

Tatar Defense Enterprises on Reduced Schedule

PM2706153794 Moscow KRASNAYA ZVEZDA in Russian 25 Jun 94 p 3

[Report by Aleksandr Bugay from the "Fax News" roundup in the "Russkoye Oruzhiye" section: "'Mailbox Numbers' Need Help"]

[Text] Kazan—Defense enterprises in Tataria [Tatarstan] have found themselves in the gravest of socioeconomic positions. According to M. Shakhmeyev, chairman of the Radio-Electronic Workers Trade Union Republic Committee, one-half of the 130,000 workers at former "mailbox number" enterprises are currently working on a reduced schedule.

At gatherings of workers' collectives, which have taken place at virtually all defense enterprises, it has been proposed that the government and president of Tataria resolve the issue of financing conversion programs in full by 1 July, reserve in enterprise accounts for emergencies and the payment of wages no less than 30 percent of the amount of the payment, maintain contributions to the social insurance fund at a level of 5.4 percent, and settle a number of other questions.

Commission Orders Debt Payment to Urals Arms Makers

PM2706152594 Moscow KRASNAYA ZVEZDA in Russian 25 Jun 94 p 3

["Own Information" report from the "Fax News" roundup under "Russkoye Oruzhiye" rubric: "Decision to Repay Debts to South Urals Military-Industrial Complex"]

[Text] Chelyabinsk—"Defense sector workers in the southern Urals, where there is a concentration of unique enterprises producing missiles, nuclear weapons, electronic warfare equipment, and many more items essential to a modern army today, are in serious need of help," Viktor Glukhikh, chairman of the State Committee for the Defense Sectors of Industry, believes.

A Russian Federation Government commission working in the Urals has instructed that debts to military-industrial complex enterprises in the oblast pertaining to work carried out under the state order be paid by 1 July this year.

Accident Reported in Radioactive Waste Depository

LD2806024994 Moscow ITAR-TASS World Service in Russian 0150 GMT 28 Jun 94

[By ITAR-TASS correspondent Sergey Borovkov]

[Text] Petropavlovsk-Kamchatskiy, 28 Jun (TASS)—An accident has occurred at the radioactive wastes depository situated on the shore of Seldevaya bay not far from Petropavlovsk-Kamchatskiy. Two slabs from the covering were damaged from being washed with water from melted snow and have caved in. This has been reported in today's issue of IZVESTIYA, quoting the heads of the oblast headquarters of the civil defense. According to these data, the radiation directly above the crack that has formed is eight milliroentgens, that is 1,000 times higher than the natural background for Kamchatka.

However, the heads of the civil defense headquarters think that this radiation does not present a danger to the residents of the oblast centre and the neighboring settlements: it is local and "fades away" at a distance of a few meters. At the present time repair work is being carried out at the burial ground.

What is more, no one has managed to get complete and objective information about the the situation at the storage yet: admission to this secret facility which belongs to the nuclear submarine flotilla, is closed to all civil inspectors. Even the information that the civil defense headquarters has at its disposal has been obtained from navy sailors.

Vladivostok Ship Repair Plant in Financial Straits

PM2706150594 Moscow KRASNAYA ZVEZDA in Russian 24 Jun 94 p 3

[Report by Leonid Burovets from the "Fax News" roundup in the "Russkoye Oruzhiye" section: "That's All. We Would Seem To Have Run Aground"]

[Text] Vladivostok—The two and a half years of life under a so-called market economy have been sheer torment and torture for our ship repair plant. In the first five months of this year alone, the Pacific Fleet has run up debts to the plant in the order of 13 billion rubles [R]. This, in turn, includes R525 million in administrative fines and penalties which the plant owes to the state budget, the pension fund, and enterprises keeping us going on a day-to-day basis. Workers have not received their pay for three months running, and any attempt to explain to people why this is happening immediately turns into a spontaneous rally. Today, the plant's debts come to R2.5 billion.

Another few days of operation, and then we will grind to a halt. We have run aground. The main directorate is asking that production continue even at the cost of halting military ship repairs altogether and occupying production capacities with any output. But how long will these measures last?

International Affairs

Russian Expert Considers Initial Election Results

LD2706161094 Moscow INTERFAX in English 1449 GMT 27 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, S. Kolosova and others]

[Text] The preliminary results of the presidential elections in Ukraine revealed diametrically opposed tendencies in the east and west of the country, which can ultimately lead to a split, a high-ranking Russian expert specializing in Russian-Ukrainian relations told INTERFAX on Monday [27 June]. He noted, though, that he expressed the opinion of a political scientist rather than a diplomat.

What happened was easy to predict, he went on to say. The west voted for Leonid Kravchuk, who scored 90 percent of the votes in Lvov, for instance. The east, including Donbass, Zaporozhye and Crimea, voted for Prime Minister Leonid Kuchma, who is leading with an impressive preponderance.

Obviously, the electors voted for the ideas expressed by the candidates, not for the candidates as such. Kravchuk symbolizes independence and gradual departure from Russia, while Kuchma—independence and rapprochement with Russia, he said.

He also noted that before the Soviet Union's breakup, Ukraine had never existed as an independent state. The west of Ukraine was initially part of Austro-Hungary and then Hungary and Poland, while the east had always gravitated to Russia. "The conventional border ran along the Dnieper. Hence, the left-bank (eastern) and right-bank (western) Ukraine," said the Russian expert. The preliminary results of the elections show that the historical division was still strongly influencing the alignment of political forces in Ukraine, he said.

He said he did not want to make far-reaching conclusions. "One should not forget, however, that during the 1991 referendum, 90 percent of the Ukrainian residents voted for independence. The situation has changed since then. This is the only thing one can say with confidence," he said.

France To Assist in Disposing of Nuclear Waste

AU2706131394 Kiev HOLOS UKRAYINY in Ukrainian 24 Jun 94 p 1

[Unattributed report: "The French Will Help Us"]

[Text] French scientists have offered their Ukrainian colleagues assistance in resolving the problem of disposing of radioactive waste from atomic electric power plants. France has enormous experience—in that country, atomic electric power plants produce 70 percent of all the electricity being consumed. Accordingly, an efficient system of disposing of radioactive waste was created there. France's major company dealing with these problems has agreed on concrete cooperation with representatives of Ukraine's State Committee for Atomic Energy, Ukraine's National Academy of Sciences, and the Institute of Geological Sciences during negotiations in Paris.

National Affairs

Current Election Results Show Kravchuk Leading Kuchma

Kravchuk in 6-Point Lead Over Kuchma

LD2806141794 Kiev UNIAN in Ukrainian 1220 GMT 28 Jun 94

[Text] Kiev—According to the Central Electoral Commission, at 0900 GMT on 28 June the results of voting in another four Ukrainian oblasts were summed up: Donetsk, Ivano-Frankovsk, Ternopol and Lvov. Figures in 22 constituencies were given by UNIAN on 27 and 28 June.

According to the results of the voting, Leonid Kravchuk is in the lead in 25 constituencies with 37.7 percent. Leonid Kuchma has 31.7 percent and Oleksandr Moroz is in third place with 13.2 percent.

Donetsk Oblast: Valeriy Babych—2.13 percent; Leonid Kravchuk—16.08 percent; Leonid Kuchma—53.59 percent; Volodymyr Lanovyy—5.19 percent; Oleksandr Moroz—15.45 percent; Ivan Plyushch—1.53 percent and Petro Talanchuk - 0.47 percent.

Ivano-Frankovsk Oblast: Valeriy Babych—0.43 percent; Leonid Kravchuk—87.78 percent; Leonid Kuchma—3.07 percent; Volodymyr Lanovyy—2.99 percent; Oleksandr Moroz—1.40 percent; Ivan Plyushch—0.80 percent and Petro Talanchuk—0.30 percent.

Lvov Oblast: Valeriy Babych—0.41 percent; Leonid Kravchuk—87.81 percent; Leonid Kuchma—3.49 percent; Volodymyr Lanovyy—1.6 percent; Oleksandr Moroz—1.6 percent; Ivan Plyushch—0.48 percent and Petro Talanchuk—0.2 percent.

Ternopol Oblast: Valeriy Babych—0.44 percent; Leonid Kravchuk—91.04 percent; Leonid Kuchma—2.51 percent; Volodymyr Lanovyy—1.89 percent; Oleksandr Moroz—1.05 percent; Ivan Plyushch 0.73 percent and Petro Talanchuk—0.24 percent.

Figures for Kiev city are being clarified.

Kravchuk Leads by 2 Million Votes

LD2806090194 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 28 Jun 94

[From the "Novosti" newscast]

[Text] The Ukrainian Central Electoral Commission is still counting the results of the elections held on Sunday

[26 June]. However, officials in Kiev are by now convinced that Leonid Kravchuk is in the lead in the vote count. INTERFAX has learned this from the head of the Ukrainian president's information service, Vladimir Shlyaposhnikov.

Unofficial data for 1000 today, as received by INTERFAX, show that the gap between the present head of state and his main rival in the elections, Leonid Kuchma, is about two million votes. The situation is as yet unclear only in Donetsk and Ivano-Frankovsk oblasts.

Kravchuk Holds Slim Lead Over Kuchma

LD2706220494 Kiev UNIAN in Ukrainian 1945 GMT 27 Jun 94

[Summary] Kiev—The Central Electoral Commission has reported that according to the results of the voting in 16 constituencies, Leonid Kravchuk has received 35.04 percent and Leonid Kuchma 34.05 percent of the vote. Results for eight of these oblasts as follows

Zaporozhye oblast: Valeriy Babych, 2.2 percent; Leonid Kravchuk, 23.76 percent; Leonid Kuchma, 48.46 percent; Volodymyr Lanovyy, 7.73 percent; Oleksandr Moroz, 12.44 percent; Ivan Plyushch, 0.95 percent; and Petro Talanchuk, 0.53 percent.

Kiev oblast: Babych, 3.31 percent; Kravchuk, 41.06 percent; Kuchma, 18.43 percent; Lanovyy, 16.55 percent; Moroz, 13.63 percent; Plyushch, 1.74 percent; and Talanchuk, 0.75 percent.

Kirovograd oblast: Babych, 2.51 percent; Kravchuk, 30.02 percent; Kuchma, 20.95 percent; Lanovyy, 18.9 percent; Moroz, 21.04 percent; Plyushch, 1.7 percent; and Petro Talanchuk, 0.61 percent.

Lugansk oblast: Babych, 1.82 percent; Kravchuk, 9.7 percent; Kuchma, 53.61 percent; Lanovyy, 4.53 percent; Moroz, 25.43 percent; Plyushch, 0.74 percent; and Talanchuk, 0.41 percent.

Lvov oblast: Babych, 0.04 percent; Kravchuk, 89.34 percent; Kuchma, 3.55 percent; Lanovyy, 1.64 percent; Moroz, 1.21 percent; Plyushch, 0.48 percent; and Talanchuk 0.01 percent.

Nikolayev oblast: Babych, 2.72 percent; Kravchuk, 37.14 percent; Kuchma 33.37 percent; Lanovyy, 8.84 percent; Moroz 12.6 percent; Plyushch, 1.08 percent; and Talanchuk, 0.6 percent.

Cherkassy oblast: Babych, 2.42 percent; Kravchuk, 39.09 percent; Kuchma, 18 percent; Lanovyy, 12.66 percent; Moroz, 20.88 percent; Plyushch, 1.67 percent; and Talanchuk, 0.55 percent.

Chernigov oblast: Babych, 1.86 percent; Kravchuk, 20.91 percent; Kuchma, 45.53 percent; Lanovyy, 7.56 percent; Moroz, 15.08 percent; Plyushch, 3.2 percent; and Talanchuk, 0.49 percent.

Results in Volyn, Sumy, Khmelnistkiy Oblasts

LD2706174594 Kiev UNIAN in Ukrainian 1715 GMT 27 Jun 94

[Summary] [no dateline as received] The Central Electoral Commission has reported on the results of the voting in another three oblasts—Volyn, Sumy, and Khmelnitskiy. According to the results, Leonid Kravchuk received 40.87 percent and Leonid Kuchma 23.83 percent of the vote.

Results from Volyn Oblast: Valeriy Babych, 1.83 percent; Leonid Kravchuk, 70.65 percent; Leonid Kuchma, 5.63 percent; Volodymyr Lanovyy, 10.94 percent; Oleksandr Moroz, 7.72 percent; Ivan Plyushch, 1.33 percent; and Petro Talanchuk, 0.6 percent.

Results from Sumy oblast: Valeriy Babych, 2.51 percent; Leonid Kravchuk, 23.04 percent; Leonid Kuchma, 30.29 percent; Volodymyr Lanovyy, 11.5 percent; Oleksandr Moroz, 24.95 percent; Ivan Plyusch, 1.73 percent; and Petro Talanchuk, 0.67 percent.

Results from Khmelnitskiy Oblast: Valeriy Babych, 1.8 percent; Leonid Kravchuk, 40 percent; Leonid Kuchma, 15.6 percent; Volodymyr Lanovyy, 11.5 percent; Oleksandr Moroz, 23.5 percent; Ivan Plyushch, 1.9 percent; and Petro Talanchuk, 1.7 percent.

Kravchuk Leads in 14 Oblasts, Kuchma in 7

LD2706132394 Kiev UNIAN in Ukrainian 1115 GMT 27 Jun 94

[Text] Kiev—On 27 June UNIAN learned preliminary data about the voting in various oblasts for candidates in the presidential election. This data was received from oblast electoral commissions for the presidential election and from oblast councils of people's deputies. UNIAN also received preliminary data from the Central Electoral Commission for the election of a president of Ukraine. In most cases the data does not include several rayons in each oblast.

Leonid Kravchuk received more votes than the other candidates for president in the following oblasts: Vinnitsa, Volyn, Zhitomir, Ivano-Frankovsk, Rovno, Kiev, Kirovograd, Lvov, Sumy, Ternopol, Khmelnitskiy, Cherkassy, Chernovtsy, and Transcarpathia Oblasts and the city of Kiev.

Leonid Kuchma received more votes than the other candidates in the following oblasts: Dnepropetrovsk, Donetsk, Zaporozhye, Lugansk, Nikolayev, Odessa, Chernigov oblasts, the Republic of Crimea, and the city of Sevastopol.

Information from Kharkov Oblast is being finalized. UNIAN has learned from reliable sources that the picture there is ambiguous; in some rayons Oleksandr Moroz is well in the lead, but in some rayons either Leonid Kravchuk or Leonid Kuchma is slightly in the lead. In the town of Izyum, Volodymyr Lanovyy received 23 percent.

Information on Kherson and Poltava Oblasts is being finalized.

Kravchuk Wins 40 Percent, Kuchma 35 Percent of Rukh Votes

LD2706143694 Moscow ITAR-TASS in English 1405 GMT 27 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 27 June TASS—Ukrainian President "Leonid Kravchuk has won 40 per cent of votes in the presidential marathon, his major rival ex-Prime Minister Leonid Kuchma 35 per cent," Rukh nationalist movement leader Vyacheslav Chornovil said on Monday.

Chornovil said the information is based on reports from Rukh observers at polling stations.

Earlier today, reliable sources told ITAR-TASS on Monday [27 June] that Kravchuk has taken the lead in 15 out of 24 Ukrainian regions in the nation's second presidential elections.

He was supported by the residents of the western, central and partially eastern and southern regions of Ukraine.

Kuchma has gained advantage over Kravchuk in the Crimea, the Donetsk, Lugansk, Dnepropetrovsk, Zaporozhye, Odessa, Kharkov and Chernigov regions.

Since the Central Electoral Commission has not announced the preliminary results of voting yet, journalists have to base their reports on information provided by regional electoral commissions and other sources.

Kuchma To Contest Results, Alleges 'Vote-Rigging'

AU2806081694 Paris AFP in English 0800 GMT 28 Jun 94

[Text] Kiev, 28 June (AFP)—Former Ukrainian premier Leonid Kuchma, challenging President Leonid Kravchuk in presidential elections here, will contest the validity of the first-round election result with an allegation of vote-rigging, a Kuchma aide said Tuesday [28 June].

Pyotr Lemek accused several local electoral committees of falsifying votes to give Kravchuk an edge over Kuchma. A press conference of the central electoral committee scheduled for 1100. (0800 GMT) Tuesday was delayed for several hours.

"Kuchma garnered 34 percent of the votes and Kravchuk 36 percent, and the difference is not eight percentage points as (Kravchuk) aides maintain," he said.

Kravchuk, Kuchma Comment After Voting

LD2706165394 Moscow INTERFAX in English 1550 GMT 27 Jun 94

[From the "Presidential Bulletin" feature: No. 121 (611); compiled by Nikolay Zherebtsov and Andrey Petrovsky; edited by Vladimir Shishlin]

[Text] According to preliminary reports from district electoral commissions, the current head of state Leonid Kravchuk and the former prime-minister Leonid Kuchma hold the lead among presidential candidates.

Kravchuk is more popular in West Ukraine. In Ternopol 82 pct [percent] of votes were cast for him, in Rovno 70.

Kuchma was supported by the majority in the East and in Crimea. A preliminary report of the Central Electoral Commission says 82.6 pct of the voters that came to polling stations in Crimea cast their ballots for Kuchma and only 7.4 for Kravchuk.

Vote-counting continues, however, observers feel that Kravchuk and Kuchma are the most likely candidates to continue the presidential race.

The overall turnout was 68 pct of the electorate.

After voting on Sunday [26 June] Kravchuk answered questions from the press at a polling station in Kiev. He declared that the parliament cannot legally restrict the powers of the president. According to him, "The president is elected as the head of state and the head of the executive branch of power." IF Note: At the moment the Ukrainian parliament is discussing amendments to the law on presidency under which the president would only have the powers of the head of state.

Kravchuk believes that the powers of the president can be altered only through a referendum declared by parliament. "But if such a referendum is announced, the powers of the parliament might end with it," he stressed. If the parliament tries to restrict presidential powers without a referendum, confrontation is going to begin, the president thinks. This should be realized by both sides.

Kravchuk spoke of the priority of relations with Russia for his country. Whoever is elected president must understand that, he said. Kravchuk said he continues to insist on Ukraine's membership in the nuclear nonproliferation treaty. He said he submitted an appropriate suggestion to parliament.

Meanwhile, Kuchma intends to refrain from submitting the matter to parliament in the event of being elected. "Ukraine has not received a cent in Western aid for scrapping nuclear weapons," he explained his stance to the press on Sunday in Kiev.

"If the parliament restricts presidential powers and I am elected, either of the two will have to step down," Kuchma said adding that no one runs for presidency in order to resign.

Speaking of his economic policy Kuchma said he favored a civilized market controlled by the state. As for foreign policy he said: "We have many tasks inside the CIS." According to him, Ukraine should contact countries that want to have relations with it.

Kuchma spoke for revising the Ukrainian tax policy and fixing the exchange rate of the karbovanets with regard to key foreign currencies.

He said he does not see any tension in Crimea. In his opinion there are certain circles that find tension in Crimea advantageous. In his opinion the problem of the Black Sea Fleet was resolved by the present cabinet a long time ago.

Rukh Leader Denies 'Left-Wing' Forces Win

LD2806083894 Kiev UNIAR in Ukrainian 0745 GMT 28 Jun 94

[Text] Kiev, 27 Jun—"The conclusions by some political analysts and journalists that the 'left-wing' forces were victorious is an exaggeration," Rukh leader Vyacheslav Chornovil stated at a news conference. "In the presidential elections the communists suffered a crushing defeat. According to preliminary results, Oleksandr Moroz received up to 10 percent of the vote," Vyacheslav Chornovil stressed at the news conference.

Vyacheslav Chornovil noted the vigorous activity of voters in western regions. In his words, less activity was observed in eastern and south-eastern oblasts.

In his assessment of the elections of local council chairmen, V. Chornovil, in particular, said: "In a whole number of oblasts voters favored representatives of Rukh and only in Chernigov, Dnepropetrovsk, and in several other oblasts will the posts of oblast council leaders be taken up by communists and representatives of 'left-wing' forces. However, in the majority of oblasts the leaders of oblast councils are centrist-oriented."

The Rukh leader said that in Kiev Volodymyr Chernyak got through to the second round and was slightly behind the present town council leader, Leonid Kosakivskyy. Volodymyr Chernyak, who was present at the news conference, noted in particular that "the passivity of Kiev residents could have been due to their indifference to the city's fate. I testify that the elections of 1994 are less democratic than the elections of 1989-90."

Election Commission Postpones Poll Result Briefing

LD2706192894 Moscow INTERFAX in English 1751 GMT 27 Jun 94

[Text] The Ukrainian Central Election Commission tonight announced a postponement of the news conference on the preliminary results of the presidential elections earlier scheduled for 1100 on 28 June.

The commission told INTERFAX-Ukraine that the large volume of information to be processed and the slow pace of its transmission made the summing up of results in such a short period of time impossible.

The commission said that general information on the results of the Ukrainian presidential elections divulged by the media had nothing to do with the official sources.

Kravchuk, Marchuk Favor Special Measures To Combat Crime

AU2806091294 Kiev HOLOS UKRAYINY in Ukrainian 24 Jun 94 pp 1, 4

[Report by Anatoliy Ben: "The Criminal World Has Declared War on Us"]

[Text] The criminal world has declared war on us. This is how participants in the coordination conference on security that was held the day before yesterday [22 June] by Ukrainian President Leonid Kravchuk assessed the present crime-breeding situation in our state.

Our peace and harmony are in danger. Ukraine's citizens have found themselves defenseless before the onslaught of crime. Not just so-called rank-and-file citizens, but also those who have both money and power. The murder attempt on people's deputy V. Bortnyk and very recent cases of murdering Ukrainian businessmen confirm this. According to the statistics of Ukraine's Ministry of Internal Affairs, the number of contract murders involving firearms has tripled. As asserted by deputy minister of internal affairs Yuriy Kravchenko, a black market of weapons has emerged in our country; a pistol can be procured for just $500, a submachinegun for $3,000, and a carbine—for between $1,500 and $2,000.

It looks like the criminal world is openly mocking us. A few days ago, the automobile of justice minister Vasyl Onopenko was stolen. Onopenko is now clutching at his head because the juridical nonsense according to which car thieves are still divided into those who actually steal the car and those who simply drive it away has not yet been abolished. The punishment for driving away an automobile is like patting the criminal on the back.

The black market and black humor: Had the criminals stolen that automobile earlier, the minister would have started pondering the nonsense earlier.

Leaders of power departments—Ukraine's Security Service, the Ministry of Internal Affairs, and the Procurator General's Office are again demanding that the struggle against crime be enhanced by legislation, in particular, preventive detention of suspects for 30 days, mandatory capital punishment for the murder of officers of law-enforcement bodies, state officials, and people's deputies, the creation of strong legal executive structures, and so on. The minister of justice also proposes that order be established in issuing quotas and licenses, that the right to register entrepreneurs be transferred from local bodies to his own department, and that people's and oblast

judges be nominated by presidential edicts. At the same time, head of the Security Service Yevhen Marchuk also sees salvation from the revelry of crime in creating strong presidential power with an experienced president at the head and in adopting primarily those legislative acts that are aimed at protecting the individual, and believes that a situation may take shape when we will be compelled to resort, as he put it, to some elements of an emergency situation which, in his opinion, the people will support.

We are not talking about an emergency situation, stressed Leonid Kravchuk, but about extraordinary measures for combating crime. Having just issued several edicts—on the return of hard currency from abroad and on the struggle against speculation—he is ready to come out, as soon as possible, with a corresponding legislative initiative before the parliament. The president is also convinced that the criminal world has declared war on us and that we, in turn, should also get organized and declare war on crime.

Meshkov Supporters Picket Crimean Supreme Council

LD2706194994 Kiev UNIAN in Ukrainian 1715 GMT 27 Jun 94

[Text] [no dateline as received]—On 27 June, at around 1030 GMT, supporters of Yuriy Meshkov who regularly gather near the Crimean Supreme Council offended and used physical force against certain Supreme Council deputies because they were annoyed at the actions of the Crimean parliament which had cast doubt on the competence of certain edicts issued by the Crimean president.

At a presidium meeting of the Crimean Supreme Council at 1130 GMT, presidium member Serhiy Nikulin demanded that Interior Minister Valeriy Kuznetsov be called out to establish order; however, Supreme Council Chairman Serhiy Tsekov went out himself to see those who had gathered near the entrance to the premises to assess the situation.

At the same time Yuriy Meshkov made a speech to his supporters in which he noted: "Thanks to your support I was able to announce the possibility of reforms in Crimea. The richest people in the world have already promised to give material help in the near future in an amount that I am even afraid to say." Yuriy Meshkov also said that the results of his trip to Switzerland were very hopeful. Several European and Asian countries, in particular Hungary, Korea, and especially Iran have declared their intention to establish friendly relations with Crimea.

After a stormy assessment of the situation, Serhiy Tsekov also left the rally which had decided that on 28 June the Supreme Council deputies would meet representatives of the community that support President Yuriy Meshkov of Crimea.

Crimea's Saburov Notes More Separatist Sentiment

WS2806092594 Kiev KIYEVSKIYE VEDOMOSTI in Russian 24 Jun 94 p 2

[Report on news conference by Crimean Deputy Prime Minister Yevgeniy Saburov and presidential candidate Volodymyr Lanovyy; place and date not given]

[Text] The fewer the reforms in Ukraine, the more separatist the sentiment in the Crimea; this is what Crimean Deputy Prime Minister Yevgeniy Saburov said on 23 June at a meeting with presidential candidate Volodymyr Lanovyy. Yevgeniy Saburov outlined the current socioeconomic situation on the peninsula: plants sitting idle, most of the workers being paid meager wages, the average salary reaching no more than 200,000 karbovantsi. There are no efficient leverages for managing and regulating the economy—the tax and statistics services did not receive financial aid from official Kiev; neither did the Republic's economy in general. The last hope is placed on the creation of a favorable climate for investments in the Crimea and firm guarantees for entrepreneurship in the sphere of financial and credit policies. "The fewer the reforms there are in Ukraine, the more separatist the sentiments there are in the Crimea," the deputy prime minister summed up.

Saburov sees no obstacles for developing political relations with the official Kiev, and would like to see constructive and balanced approaches to resolving problems. "We have no fear of any possible confrontation," he declared. "There is nothing to fear when the people are on the brink of utmost destitution and half-starved subsistence."

Asked by our correspondent about his attitude toward Kravchuk's statement that the foundation for the market economy has already been laid in Ukraine, Saburov snapped: "Maybe. But where? Show me the place. In the basement? Those who did not go down there will never learn about it." As for the statement by Ukrainian legislative speaker Oleksandr Moroz that if elected president, he would do his best to protect people from misimplemented market reforms, Saburov commented as follows: "That statement does not explain whom he had in mind. To protect against whom? Against the state policies that have nothing to do with market reforms or against state regulation of the market economy? The latter is promised in his election platform." Whatever the case, Saburov said, we are ready for cooperation. The fact that in spite of his busy schedule, Saburov devoted almost an hour and a half to talks with presidential candidate Volodymyr Lanovyy shows that the head of the Crimean Government has made his choice.

Crimean Parliament Attempts To Curb Meshkov's Powers

MK2806121094 Moscow NEZAVISIMAYA GAZETA in Russian 28 Jun 94 p 4

[Report by Viktor Yadukha from Simferopol under the "Crimea" rubric: "Parliamentarians Want To Deal With

Privatization on Their Own. They Have Attempted To Strip Yuriy Meshkov of Some Presidential Powers"]

[Text] Contradictions between Crimea's president and parliament are taking on the form of a direct standoff. Upon his return from Switzerland last week, Yuriy Meshkov caught the deputies in yet another attempt to curb his presidential powers: the Supreme Soviet tried to pass the so-called "Law on Enforcing the Crimean Constitution." The session did not specify which Constitution was at issue—the new or the old one, which sparked a conflict with Kiev, but this seemed to be of no importance. The deputies wanted to pass a provision entitling them to rescind and to suspend presidential edicts, to stop the activity of local authorities, and even to appoint chiefs of local soviets, something that belongs to the Crimean president's few prerogatives.

It is hard to say what stopped the lawmakers. Probably, with Mr. Meshkov back in town, conscience awoke in some of his "bloc friends" and the bill has not been passed so far. But...

Observers note that all legislative trip-ups stem from the commonplace struggle for a place at the trough, which has continued at the parliament without letup since its election. The Crimea Supreme Soviet simply does not care about settling the conflict with Kiev. Also on 23 June, the presidential edict subordinating the Crimean State Property Fund to the Saburov government and the edict "on the privatization of Crimean state-owned enterprises" were rescinded. All this means just one thing: the parliament is intent on fully swilling everything out of the hypothetical "trough" and on dealing with privatization on its own. If the deputies, who acknowledged at the latest session their complete economic and legal ignorance, manage to succeed, Crimea will simply have no government at all, and the factions will start bickering over the distribution of property.

Leader Views Crimean Legislature Work

944K1513A Simferopol KRYMSKIYE IZVESTIYA in Russian 17 Jun 94 p 1

[Interview with Viktor Mezhak, deputy chairman of the Supreme Council of Crimea, by A. Sergeyev; place and date not given: "Parliament's Potential Will Be Realized"]

[Text] [Sergeyev] Viktor Petrovich, you were a member of the previous Supreme Council and have now become deputy chairman. Is it possible maybe six weeks since the start of business to evaluate the degree of readiness for work of the present deputies?

[Mezhak] It is quite high, in my view. It can be seen even now that it is not a "pocket" parliament, as some critics had predicted it would be. A polarity of views on many political issues may be traced distinctly. On the other hand, the deputies find a common language perfectly well when socioeconomic problems are tackled and are exacting toward the government and see as its main role Crimea's extrication from the crisis and an enhancement of the living standard of each Crimean.

[Sergeyev] Your last observation does not coincide very well with the topic of conversation during the Presidium sitting, when the program of targeted subsidies was rejected.

[Mezhak] Such a view (it is being disseminated by various news media, unfortunately) is fundamentally mistaken. Neither the Presidium nor the deputies at the session under any circumstances rejected the principle of targeted subsidies for the needy, which could today help to a considerable extent both a stabilization of the economy and the preservation of funds in the Crimean budget. The Presidium sitting proposed, on the contrary, support for a program of targeted subsidies and the corresponding amendments to the budget.

But, a program!

And when no one from the government could intelligibly explain how the idea would be realized, when findings of the specialists whom it would concern are lacking, and when it is unclear where the funds for the preferential payment of targeted subsidies would come from, what is there to support? The Supreme Council not only is not opposed, it aspires to work and examine all necessary innovations of the government. But in six weeks the government has, strictly speaking, not once availed itself of its right of legislative initiative. On the other hand, it conferred, under the cover of the Supreme Council, the right, in fact, to raise the price of bread.... The electorate would not understand us and would be right.

And neither party nor geographical nor departmental sympathies or antipathies have anything to do with it here. A most important task of the legislature is to guard the interests of the electorate. And no deputy, I am sure of this, understands it as a desire to prevent the executive from working. But reforms, even the least reforms, need to be implemented more visibly. Which is what we are trying to ensure.

[Sergeyev] Many of the news media have reported the huge privileges specified by the law of the Republic of Crimea "Status of the Deputy of the Supreme Council of Crimea" that was adopted recently. What is the truth here?

[Mezhak] The truth is that the deputies should have an opportunity to function normally. I have not encountered in a single newspaper a comparison of what you termed privileges for the Crimean deputies with the corresponding Ukrainian, Russian, Tatar, or other laws. But should we seriously be discussing the problem of whether the deputy should be running to the telephone booth to get through to a government official that has bogged down a voter's problem in bureaucracy? I would very much like to read in a newspaper or hear on the radio a competent, balanced evaluation of the law, not a desire to play in populist fashion on the morbid strings of the Crimeans.

Our deputies currently have one privilege—working by the sweat of their brow. But unless provision is made for the realization of this privilege, the people of Crimea will be the loser. So, if I were a journalist, I would take a look at this problem from this side as well.

Cabinet Creates Prime Minister's Secretariat

AU2806131294 Kiev URYADOVYY KURYER in Ukrainian 25 Jun 94 p 2

["Ukraine's Cabinet of Ministers Decree No. 427 on Creating the Secretariat of Ukraine's Prime Minister" issued on 16 June; place not given]

[Text] Ukraine's Cabinet of Ministers decrees as follows:

1. To create within the apparatus of Ukraine's Cabinet of Ministers the Secretariat of Ukraine's Prime Minister, having abolished Ukraine's Prime Minister's Office.

2. To appoint Kasyan, Vasyl Vasylyovych as head of the Secretariat of Ukraine's Prime Minister and confer upon him category three of state official.

[Signed] Ukraine's Prime Minister V. Masol

[Signed] Minister of Ukraine's Cabinet of Ministers I. Dotsenko

Parliamentary Speaker Expresses Political Views

AU2806140694 Kiev HOLOS UKRAYINY in Ukrainian 25 Jun 94 p 2

[Report by HOLOS UKRAYINY correspondent Volodymyr Skachko: "O. Moroz Does Not Change His Views"]

[Text] At a news conference in Kiev, chairman of Ukraine's Supreme Council O. Moroz stated that his trip to several oblasts and to the Crimean Republic was a working one and that its aim was "to get the peoples' approval or disapproval of the trends in the work of the new parliament and government." In Moroz's opinion, he received such an approval, because people were in favor of "strengthening order and discipline in the state and harmony in all spheres of life, irrespective of where a person works." Consequently, according to the chairman, the parliament and the government will continue their efforts to overcome the crisis in a concerted and responsible manner, and it may take between one and a half and two years ultimately to curb the crisis phenomena, as the deputies agreed.

Commenting on the situation in the country regarding presidential elections, Moroz stated that the talk on the absence of a clear-cut idea of what kind of president we need to elect is inappropriate, because there is a Constitution, which reads that the president is the head of both the state and executive power and, in order to change this norm, it is necessary to change the Main Law. Regarding rumors on the possibility of withdrawing from the presidential contest, Moroz joked: "It is a "canard," and the people who launched it suffer from "incontinence" of the "canard" ["utka" can mean both "canard" and "bed-pan"]. He added that he would not cede his votes to anyone, all the more so since, when he met with people, he "felt their genial support."

Regarding the problem of the Black Sea Fleet, Moroz was quite specific: The fleet cannot be divided, it must be used jointly, under joint command, and with double responsibility for its fate on the part of Ukraine and Russia. Moroz believes that, in resolving problems of the Black Sea Fleet, one must proceed from the fact that the Black Sea Fleet is a zone of specific interests of our two countries and that a military entity cannot be efficient if some officers in it are paid better than others. Moroz also said that Ukraine must develop its own naval forces. As for a possible creation of joint armed forces of the CIS, the chairman of the parliament pointed out that he never voiced such an idea, and since 1992, he has been advocating the concept of creating collective security forces. "The broader the international structures for security provision, the more reliable the security will be," Moroz concluded. As for the proposals by the speaker [Ivan Rybkin] of the Russian State Duma on the creation of a confederation of Russia, Ukraine, and Belarus, Moroz said: "Those who do not regret the disintegration of the Union are heartless. Those who want to restore the Union today are brainless." In the Ukrainian-Russian relations, the chairman of Ukraine's Supreme Council, according to him, is in favor of resolving, first of all, economic problems and advocates Ukraine's coming out with the initiative of signing a multilateral document on economic cooperation, a document in which the main principle would be stated—on the inviolability of the borders of the participant states.

Nor did Moroz change his attitude toward the problem of nuclear disarmament, which, in his view, cannot be tackled contrary to Ukraine's interests. Commenting on the accusations against President Kravchuk voiced by the Congress of Ukrainian Nationalists [KUN] to the effect that he had betrayed Ukraine by transferring tactical nuclear weapons to Russia, Moroz said that KUN is entitled to voicing its opinion in any form, but the president's actions "by their content, conform to such assessments." Moroz spoke in favor of Ukraine's pursuing such active external policy as would not allow anybody to ignore the interests of our state.

The chairman of the parliament also answered other questions asked by journalists, and it became clear from his replies that, as a leader, he does not change his views from day to day depending upon the prevailing situation.

RPC Chief Views Rift With Russia Bloc

944K1539A Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Jun 94 p 2

[Article by S. Shuvaynikov, chairman of the Russian Party of Crimea (RPC), under the rubric "Party Leader's Tribune": "Why the Russian Party Did Not Join the Russia Bloc"]

[Text] The article "Past Idols, Future Idols...." by V. Polyakov, a deputy from Simferopol, has prompted me to write these notes. In analyzing the course of the presidential and parliamentary elections, as well as the events that followed, the author attributed a subjective motivation to the actions and deeds of individual political leaders. Thus, in particular, having mentioned my name, he stated: "We can consider tribulations involved in nominations for the post of president a prelude for the forthcoming storm. What Mezhak understood on time, Shuvaynikov did not, and for this reason he paid for it dearly. The recent 'Hyde-Park' idol turned out to be an outsider in the camp of the victors."

Having read this paragraph, a poorly informed voter may indeed think that Shuvaynikov "made a mistake" when he failed to withdraw as a candidate in favor of Meshkov and did not join the Russia bloc together with his party. Since they are trying to convince the 200,000 voters who voted in the first round for the candidate of the Russian Party of this, I am compelled to discuss the situation that preceded the presidential election and emerged on the eve of the creation of the Russia bloc.

As the residents of the Crimea may remember, a struggle for the institution of presidency began about one year ago. The Russian Party unambiguously determined its position as early as July: A president was necessary in the environment of a mounting political and economic crisis, and it was desirable for this post to go to a politician firmly advocating the position of the return of the Crimea to Russia, and then in a peaceful, legal manner. Unlike the Russian Party, the RPK [Republican Party of the Crimea] (the RDK [Republican Movement of the Crimea] party), together with its leader Yu. Meshkov, rejected the institution of presidency in the belief that it was being prepared solely for one well-known candidate. Moreover, Yu. Meshkov himself had doubts for a long time about whether to run for this position or not. Later, such doubts also overcame the RPK (RDK) leadership. The decision to nominate him was made as late as in the course of the campaign which had already begun.

Still before the beginning of candidate registration, several meetings were held between the representatives of the RNP [Republican People's Party] and the Russian Party at which scenarios for the nomination of a common candidate to counter N. Bagrov were discussed. Yu. Meshkov did not personally attend these meetings. Moreover, the last meeting before the beginning date of nomination was frustrated: Only I and S. Tsekov, the current speaker of the Crimean Supreme Soviet and leader of the RPK (RDK), met in front of the closed doors of the Bagram cafe. This is why the Russian Party, in carrying out previous decisions, was the first one to register its candidate and to begin the propaganda effort. Nonetheless, the problem of a common candidate remained because the danger of splitting the vote existed which gave N. Bagrov a certain advantage.

On the initiative of V. Klychnikov, the NPK [People's Party of the Crimea] executive committee chairman, three registered candidates—Yu. Meshkov, V. Mezhak, and I—met at the Bagram cafe on 9 December in order to specify positions and determine the principles for selecting a common candidate. There was no discussion of the Russia bloc yet; it was not even at the draft stage. I proposed the following scenario for our actions to my colleagues: 1) In view of the fact that the mass media tried to pit us against each other thus sowing discord in the ranks of our supporters, to make a statement in the press about the commonality of our purpose and the aspiration to designate a common candidate; 2) To hold as soon as possible a rating survey of voters in order to obtain objective data on the real chances of each one of us; 3) To give me, the candidate of the Russian Party, one week to coordinate all issues with the political council which had nominated me as a candidate.

After a certain period of doubt, V. Mezhak announced that he was prepared to withdraw as a candidate that very day, but only in favor of Yu. Meshkov. Ultimately, both candidates agreed to my proposal concerning the statement, charged me with preparing its text by Monday, and had no objections to the one-week deadline.

However, the events that followed indicated that the agreements reached were merely a tactical move; the RPK (RDK) and NPK leaders did not intend to comply with them. One day later, a meeting between Yu. Meshkov and V. Mezhak, and the contender for candidate, A. Kruglov, and activists of pro-Russian organizations was held in Sevastopol. Incidentally, A. Kruglov, while in the ranks of the Russian Party, voted in favor of my candidacy. Later, without adducing convincing arguments, Aleksandr Georgiyevich resolved to independently nominate himself for president and announced his departure from the Russian Party. I would not like to analyze the motives for his actions because Kruglov is a person who is sincerely devoted to the Russian idea. However, at that time he noticeably harmed the Russian cause, perhaps not being aware of this himself. As a matter of fact, a treaty on the common candidate Yu. Meshkov and the creation of the informal Russia bloc was concluded at this meeting to which I was not invited. On the same day, it was heard from the lips of Yu. Meshkov's supporters at an RPK (RDK) rally that Shuvaynikov was withdrawing as a candidate in favor of the Republican leader.

Someone might say that in politics all means are good if they justify the end. Alas, I do not think so; to put it mildly, the haste, impropriety, and unreliability of the two party candidates who had so rapidly "laid to rest" the achieved "gentlemen's" agreement put me on my guard.

When I brought the text of the statement on Monday it turned out that nobody needed it. NPK Chairman V. Mezhak demanded, in a form bordering on an ultimatum (according to him, suggested) that I withdraw as

a candidate in favor of Yu. Meshkov and join the Russia bloc that was being created. I refused because there were serious arguments in favor of it that had great significance for the future political events in the Crimea. I outlined them to my comrades in the Russian Party, asking one question first: If the two leaders do not give much thought to choosing their means, what goal do they set for themselves? Why was a bloc with the attractive name Russia being so hastily created?

Long before the presidential election, the RPK (RDK) made a vigorous effort to create the People's Unity bloc in which the issue of Russia as a specific objective of Crimea's political movement would not figure and would be carefully avoided with references to the fact that this could give the Ukrainian authorities a pretext to accuse the Republicans of "violating Ukrainian legislation."

Therefore, only the Russian Party, which was labeled "chauvinist" and "Fascist," talked about Russia.

The People's Unity bloc was not to be, but the RPK (RDK) program to this day talks about an independent Crimea in some kind of an alliance with the countries of the artificially created CIS. The program of the People's Party which emerged later out of the RDK splinters sees the future of the Crimea in a confederation with Ukraine. I recall this deliberately because these two particular parties acted as the foundation of the Russia bloc abandoning for the election period their programmatic documents and adopting the slogans of Russian orientation which even the day before they considered "poorly timed politically" and even "instigative."

At a meeting of the Russian Party political council, the views concerning the Russia bloc and the common candidate Yu. Meshkov were also mixed. A majority agreed that the name "Russia" was being used by the Republicans for purely propaganda purposes, in order to attract a greater number of voters. In reality, the RPK (RDK) does not intend to give up the idea of building an "independent" [preceding word published in Ukrainian] Crimea. This does not suit the Russian Party because it views the independence of the Crimea merely as a stage on the way to the peninsula's return to Russia. For the Republicans, independence turns into some kind of an end unto itself which may entail unpredictable political and economic consequences, up to an armed confrontation and economic blockade.

A few members of the political council did not agree with the majority opinion and went over to the camp of Russia block supporters, accusing me of [bringing about] a split.

I am narrating this in detail because the time has shown that the majority of the Russian Party political council members were right. When I hear now from the lips of one of the Russia bloc leaders that the Crimean parliament never raised, does not raise, nor will ever raise the issue of the Crimea's secession from Ukraine, I ask myself this question: Was there such a thing as the Russia bloc? And if there was, what and who are the Crimean voters to believe now?

We did not join the Russia bloc precisely because as early as in winter the leadership of the Russian Party had predicted the current political events whereby the Crimean-Russian idea would begin to be forgotten or ignored. We did not join deliberately because we do not wish to bear the responsibility for a political course, which hinges solely on the idea of "an independent Crimea in an alliance with the CIS," rather than the idea of "political and economic integration with Russia with the subsequent return of the Crimea to it." Moreover, we have real apprehensions that the geopolitical factor of Turkey in the Crimea will be enlarged against the background of the Russian-Ukrainian conflict, which is being played out as if in a bad dream. There is a real foundation for this—the Crimean Tatar population that has returned from exile and has been granted special political privileges as a deported nation. All of this may only make more distant the programmatic goals of the Russian Party—the recreation of a unified Slavic state and the restoration of historical justice, the return of the Crimea to Russia.

For the Russian Party, and for me, its leader, power is not an end unto itself. All "pro" and "contra" notwithstanding, we supported the candidacy of Yu. Meshkov after the first round of the presidential election; we believe that at present the first president needs constructive assistance and confidence of the parliament rather than a search for his miscalculations or the mistakes made. Let us not forget that the residents of the Crimea now believe Yu. Meshkov and his pre-election promises, and we should not interfere with his keeping the promises. After all, all authorities are responsible to the people, and some time later the people will be entitled to hold them accountable for everything that has been bad or good, including the Crimean parliament which is learning the ABC's of legislative work with difficulty. As far as the Russian Party is concerned, we remain an association of citizens who are faithful to their programmatic objectives and tasks. We do not make our failures into a tragedy.

Special-Purpose Battalion Said Undernourished, Underpaid

AU2706131294 Kiev MOLOD UKRAYINY in Ukrainian 24 Jun 94 p 1

[Unattributed report published under the rubric "Fact"]

[Text] Foreign specialists, who visited the "White Panther" [Bila Pantera] special-purpose battalion within the Kiev regiment of Ukraine's National Guard, were highly impressed by the level of training of the guards. One can imagine how surprised they might be if they had learned that the special-purpose guards' nourishment is worse than that of regular servicemen and that the average pay received by the commander of the battalion constitutes 400,000 coupons a month.

Future of Part-Built Aircraft Carrier Under Discussion

PM2806121994 Moscow IZVESTIYA in Russian 28 Jun 94 p 1

[Report by UKRINFORM-TASS: "Aircraft Carrier Varyag Will Not Be Scrapped"]

[Text] Reports appearing in the press that a decision has already been made to recycle the Varyag are untrue.

The most acceptable and advantageous option for deciding the aircraft carrier's future is to sell it in its present condition (68-percent finished), according to Ivan Vinnik, deputy general director of the Black Sea Shipbuilding Plant. Another possible option for using Varyag is to remove everything possible from it and to sell its hull for use as a cruiser or other vessel. We will not break up the Varyag out of morale considerations, Ivan Vinnik stressed.

Joint Venture Recycling Obsolete Munitions

LD2806105894 Kiev UNIAR in Ukrainian 2200 GMT 26 Jun 94

[Text] The recycling of Ukrainian ammunition which has exceeded its expiry date is now being conducted by the joint-stock company "Alliyant-Kiev," formed in 1993 by the Shostkinskiy scientific and research institute, the U.S. Alliyant-Tecsystems, and Repirbase Ltd of Great Britain. The Ukrainian partner has 51 per cent of the shares in the joint-stock company. In the first quarter, "Allyant- Kiev" already received 5,600 tonnes of ammunition for recycling. The 127 tonnes of extracted gunpowder were sent to the UkrVybukhBud explosives manufacturer and the 250 tonnes of brass cartidges to a nonferrous reprocessing factory to be reprocessed into rolled metal.

According to unofficial sources at the Defense Ministry, there are 320,000 tonnes of ammunition stocks in line to be scrapped.

Edict Urges Transfer of Hard Currency to Banks

AU2806091394 Lvov ZA VILNU UKRAYINU in Ukrainian 22 Jun 94 p 1

["Ukrainian Presidential Edict on Urgent Measures for Returning to Ukraine Hard Currency Illegally Kept Outside of Ukraine" issued on 18 Jun]

[Text] In order to return to Ukraine hard currency illegally kept abroad, I resolve as follows:

1. Ukraine's entrepreneurs, regardless of the forms of ownership they employ, must do the following within 10 days:

- Declare at Ukraine's National Bank the availability (or absence) of their hard currency capital that is kept outside of Ukraine, specifying all sums, including those obtained as a result of engaging in entrepreneurship outside of Ukraine;
- Submit to Ukraine's Main State Tax Inspectorate declarations on the sums in their accounts in banks or other foreign financial institutions, as well as sums of hard-currency receipts in profits (dividends) obtained as a result of engaging in entrepreneurship outside of Ukraine.

In the future, such declarations must be submitted on a quarterly basis.

Ukraine's National Bank and Ukraine's Main State Tax Inspectorate must keep the pertinent information strictly confidential.

2. Determine that further external economic activity by Ukraine's entrepreneurs may only be authorized after they produce declarations envisaged by Article 1 of the present edict.

3. Bind all of those Ukrainian entrepreneurs who possess hard currency, deposited, in violation of the current procedure, at accounts or as investments outside of Ukraine, to transfer this hard-currency capital to authorized Ukrainian banks within one month; in cases where this cannot be done for objective reasons—the deadline must be coordinated with Ukraine's National Bank and with Ukraine's Main State Tax Inspectorate.

Ukraine's National Bank must make public in the press, within three days, the list of Ukraine's authorized banks to which hard currency must be transferred.

4. Ukraine's Ministry of Finance, Ukraine's Ministry of External Economic Ties, and Ukraine's State Customs Committee, jointly with Ukraine's National Bank, must elaborate and implement, within 10 days, a mechanism to inspect the completeness and reliability of the data that is presented by entrepreneurs in fulfillment of Article 1 of this edict.

5. Ukraine's Ministry of Statistics, with the participation of Ukraine's Ministry of Finance and Ukraine's National Bank must approve and implement, starting from the third quarter of 1994, accountability, on a quarterly basis, of all entrepreneurs for obtaining profits or dividends in foreign currency outside of Ukraine.

6. Ukraine's National Bank, ministries, and departments must report to Ukraine's law-enforcement bodies any information they have on violations in the established procedure of holding hard-currency accounts or using securities by Ukraine's entrepreneurs outside of Ukraine.

7. Ukraine's Cabinet of Ministers must submit, within one week, for the consideration of Ukraine's Supreme Council a draft law of Ukraine on the increased responsibility of Ukraine's entrepreneurs for concealment or illegal use of hard-currency profits.

8. In the case of fulfillment of the requirements stipulated by part 1 of Article 1 and Article 2 of the present

edict, entrepreneurs will not be subjected to the sanctions specified by the current legislation and their management (officials) will not be brought to trial or be subjected to any other types of sanctions.

9. Leaders of ministries and departments and all entrepreneurs, irrespective of their type of ownership, must be personally responsible for the fulfillment of the present edict.

Ukrainian President Leonid Kravchuk

Kiev, 18 June 1994

Plan To Repay Gas Debt to Turkmenistan Viewed

WS2706070094 Lvov POST-POSTUP in Ukrainian 17-23 Jun 94 pp A1, A2

[Report attributed to VYBIR: "Money-Making Valves of the Turkmenistan Pipeline"]

[Text] Relations between Ukraine and Turkmenistan are beginning to normalize. The Ukrainian side announced this news through the major state dailies. Beginning today, Ukraine's debts to Turkmenistan, which totalled $671.9 million last year, will not be paid by the government—there are no funds for this in the budget. A part of the payment has been ceded to the Respublika consortium.

This consortium was formed by eight companies. The chief founder is 31-year-old Ihor Bakay. The number and composition of the founders changes periodically, depending on the tasks performed by the concern. Earlier, Respublika dealt with the sale of canned food, fish, and beer, enjoying significant success. According to Ihor Bakay, Respublika would have never taken on energy resources if it had not made a bad go of it on the Turkmenistan market.

The consortium has not succeeded in settling accounts for supplies to Turkmenistan in time. Since there were hundreds of thousands of dollars involved, Respublika was given an alternative—to take upon itself the payment of the debt, adjusting its own liabilities to meet this. With Bakay's approval, events began to develop in a fantastic way. Here is Bakay's account of what happened:

"Valeriy Ochakov, Turkmenistan's first deputy prime minister, immediately flew to Kiev to meet acting Ukrainian Prime Minister Yukhym Zvyahilskyy. True, the meeting did not introduce any significant changes in the deal. 'The process was activated' only after Turkmenistan had cut off gas supplies. Yukhym Zvyahilskyy immediately flew to Ashgabat to meet with Niyazov. An agreement at the governmental level was signed after a couple of days. It was arranged so that the settling of accounts will be simple—one-third of the debt ($224 million) will be paid in hard currency; the rest ($447.9 million) will be paid in commodities."

Even prior to this agreement, however, trains with products sent by Respublika to pay off the debt were leaving for Turkmenistan on a daily basis.

How could this be possible without permission from high-level authorities—it is difficult to say. In general, this case is typical of the Ukrainian legal mess. Furthermore, Respublika's gas program was given tacit approval by the Cabinet of Ministers. Those trying to oppose their power have been deprived of their cushy jobs.

After the settling of accounts began, it became clear that Ukraine is not only sending trinkets to Turkmenistan. To cover the debt, Ukraine has to dispatch 70,000 tonnes of rolled steel, 10,000 tonnes of foundry cast iron, 200,000 tonnes of processed cast iron, 150,000 tonnes of ferroalloys, 50,000 tonnes of scrap ferrous metals, 502,000 tonnes of aluminum, 140,000 tonnes of ammonia, 2,500 KRAZ trucks, 300 LAZ jeeps, 400,000 tonnes of grain, 80,000 tonnes of meat, and 100,000 tonnes of flour. In addition, $1.6-million worth of medicine and $20-million worth of special equipment for the Internal Ministry and other services. The complete list is 10 pages long. True, due to the efforts of officials from the Ministry of the Economy and the Ministry of Finance, some items were removed from the list, including 500,000 tonnes of zinc, hundreds of thousands of tonnes of aluminum, copper, nickel, lead, and expensive scrap nonferrous metals.

According to experts, the cost of goods proposed for barter exceeds the sum of debt by several times. It was evaluated that, having only used the credits allotted by the Ukrainian Government for this operation, Respublika will be able to garner profits in the area of $7 million. Moreover, profiting from price differences is also possible. Thus, Respublika will buy gas for $50 per 1,000 cubic meters. According to estimates by leading Ukrainian economists—between $65 and $101 [per 1,000 cubic meters]. The enterprises that pay three times as much for energy resources will increase prices on their goods, as well. As a result, imports of Turkmen gas by Ukraine can become unprofitable.

It is already known how the Ukrainian side behaves under such circumstances. During the latest price incident [not further identified], Yukhim Zvyahilskyy sold out a part of Ukraine's strategic resources.

It is not polite, as the saying goes, to look in someone else's pocket. We will add: providing your money is not transferred into that pocket. Taking into account the prospect for future price increases, we have asked Volodymyr Lanovyy, president of the Center of Market Reforms, to comment on the Ukrainian-Turkmen gas deal. He stated:

"This is a high-quality swindle. Having signed the agreement with Turkmenistan, Respublika is able to buy hard currency at prices three times lower than usual. In such cases, the exchange rate in Ukraine stands at 13,100 karbovanetses per dollar, while the market exchange rate is around 50,000 karbovanetses. Turkmen gas going to

the corporation is 30 percent cheaper—this money will remain in the corporation's accounts with each payment cycle. Furthermore, enterprises will be given obligatory state orders for the production of commodities for Respublika. In turn, Respublika will sell these commodities for hard currency, but the enterprises will be paid in devaluated karbovanetses. In addition, they will not be paid the full price, but only the production cost. The seller will also be a two-time winner here."

Volodymyr Lanovyy is supported in this opinion by Sumin, head of the Ukrainian Union of Lawyers: "With the help of such a structure, the national wealth of Ukraine and Turkmenistan feeds certain Mafia-like structures. Thus, a big difference between purchasing and selling prices is being transferred to foreign accounts. By the way, according to the Ukrainian-Turkmen agreement, the monetary side of the Ukrainian debt should be paid to an appropriate account in the Deutsche Bank."

They say that the country which sells its national resources to pay off debts may be declared bankrupt by the International Court of Justice in The Hague. The CIS has created an economic court, but, for the time being, this court is successfully idle. Therefore, there are no reasons for being ashamed. The deal will continue. The point is who will become the next exporter—will this exporter be appointed privately and quietly in governmental cabinets, or at an auction with the largest profit for the country? Maybe, we would be able by this to avoid rumors over fantastic bonuses in gas imports? All the more so since competent sources report: Metals and bed pans are not the only commodities which Ukraine is ready to barter to acquire the desired energy resources. It is simply a pity that the blanket is too short and someone is going to catch a cold.

61 Percent of District Voters Against Nuclear Station

LD2706170394 Moscow INTERFAX in English 1612 GMT 27 Jun 94

[Text] A total of 61 percent of voters of the Ukrainian Zaporozhye Region Kamensk-Dneprovsk District have voted against the utilization of the sixth block of the Zaporozhye Nuclear Power Station. A total of 38 percent of voters voted for it during a referendum held along with the presidential and local elections in Ukraine.

Voters were asked whether it was reasonable to switch on the sixth block before a law on nuclear energy was adopted. The ballot papers also included a question on whether a storage facility for exhaust nuclear fuel could be built in the region.

An INTERFAX correspondent reports that 32 percent of voters were in favor of such a facility for exhausted nuclear fuel and 63 percent were against. A total of 68 percent of the voters registered in the region took part in the referendum.

This referendum was initiated by the District Council.

Belarus

Lukashenko Comments on First-Round Election Victory

LD2706164394 Moscow INTERFAX in English 1500 GMT 27 Jun 94

[From the "Presidential Bulletin" feature; compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[Text] Aleksandr Lukashenko, the front runner of the first round of elections in Belarus, believes that his victory was tantamount to the vote of no confidence on the current Cabinet. He told a press conference in Minsk that this could be seen from the wide gap between the 45.1 percent he had scored and the 17.4 percent of the votes scored by Prime Minister Kebich.

He announced, however, that he would not remove all of the current Cabinet members from their posts, if he won. According to unofficial sources, Lukashenko is planning to offer the post of prime minister to the current Economics Minister Sergey Ling.

Lukashenko's proxy, Chairman of the Parliamentary Commission for Legislation Dmitriy Bulakhov, refused to comment on the rumors about ballot rigging (according to which Lukashenko scored 56 percent, not 45.1 percent of the votes, which would have meant his complete victory - Interfax).

He also said that it was senseless to cast doubts on the Central Electoral Commission's official reports, because he was confident in Lukashenko's victory during the second round.

According to Interfax sources, Lukashenko's and Kebich's teams are holding consultations with Zenon Poznyak, Stanislav Shushkevich, Aleksandr Dubko and Vassiliy Novikov, who lost the first round.

Viktor Ivashkevich, the proxy of leader of the People's Front, said that Poznyak would not to go to the polling station on the day of the second round. He also quoted Poznyak as saying that the people had voted against the old system, but failed to voice their support for the creation of a new one. He announced that the leaders of the Belarusian People's Front would meet on Saturday to decide which candidate to support during the second round and whether to support anyone at all.

Sushkevich refused to comment on the current political situation. Asked which candidate he would support, he said that none of the first round wwinners had any scientifically substantiated economic program. (Shortly, Shushkevich is planning to set out for a tour of European countries, where he will give a series of lectures at local universities - Interfax).

Vassily Novikov and Aleksandr Dubko have not yet decided whom to support during the second round. At the end of the week, the Central Committee of the Belarusian Communist Party is to hold a plenary meeting to determine the party's position on the elections. A spokesman for the Council of Collective Farms told Interfax that Aleksandr Dubko was abroad and that in his absence the agrarians could not decide whom to support during the second round.

Says Voters Lack Confidence in Government

LD2706120094 Moscow INTERFAX in English 1036 GMT 27 Jun 94

[Text] Aleksandr Lukashenko, the front-runner in the first round of the presidential elections in Belarus, believes that his victory is tantamount to a vote of no-confidence in the Cabinet. He told a press conference in Minsk that this could be judged from the wide gap between the 45.1 percent of the votes he garnered, and the 17.4 percent, going to Prime Minister Vyacheslav Kebich.

He stated, however, that he would not oust all of the current Cabinet members from their posts, if he were elected president.

According to unofficial sources, Lukashenko will offer the post of prime minister to the current Vice Premier and Economics Minister Sergey Ling.

In an exclusive interview with Interfax, Lukashenko's proxy, Chairman of the Parliamentary Commission for Legislation Dmitriy Bulakhov expressed doubt about the authenticity of the results of the first round. However, he refused to comment on the rumors about instances of ballot rigging.

According to these rumors, in the first round Lukashenko actually garnered 56 percent, rather than 45.1 percent of the votes, which would have meant his complete victory.

Bulakhov expressed hope that Lukashenko would become president in the second round. "So, there is no need to cast doubts on the official reports of the Central Electoral Commission," he said.

Pledges To Remove Top Officials

LD2706121994 Moscow ITAR-TASS in English 1141 GMT 27 Jun 94

[Report by BELINFORM correspondent Aleksandr Lyushkevich for TASS]

[Text] Minsk 27 June TASS—According to Belarusian presidential candidate Aleksandr Lukashenko, "all the generals and all the leaders of state bodies of power will be removed within 24 hours" if he becomes president.

However, Lukashenko called rumors that he wanted to kick out the whole state apparatus if he is elected groundless. "85 per cent of government employees and law enforcement personnel—the police, the KGB, the

Interior Ministry, the procurator's office—are respectable and honest people," he announced at a press conference in Minsk on Monday.

With the exception of the top military and civilian brass, Lukashenko and his team are "ready to work and cooperate" with government employees. That statement also concerns the republic's industrial managers, whose enterprises will be given up to January 1, 1995 to "function normally." If they are not capable of meeting that deadline, "the heads will be fired," Lukashenko explained.

The Belarusian candidate refused to exclude the possibility that he would invite one of the members of the current government to fill the prime minister's seat, if he is elected.

New Political Party To Support Lukashenko

LD2706162694 Moscow INTERFAX in English 1444 GMT 27 Jun 94

[Text] A new political party, All-Belarusian Unity and Accord, with numerous businessmen and industrialists among its leaders, was set up as runoff presidential elections are a near certainty.

The party intends to hold urgent talk with Aleksandr Lukashenko who gained far more votes than his rivals in the first round of voting.

A party spokesman said that if their goals in carrying out economic reforms coincide, the party would support Lukashenko in the runoff elections which are expected to be held in the first half of July.

Experts Review Election Returns, Second Round

WS2706125194 Minsk RESPUBLIKA in Russian 25 Jun 94 p 6

[BELINFORM report: "Why Has It Happened This Way, and What Can Be Next?]

[Text] **Apparently, for many people, the results of the first round of presidential elections were completely unexpected. Why has it happened this way? What will be next? BELINFORM has addressed these questions to the following people:**

Anatoliy Maysenya, director of the "East-West" Strategic Initiatives Center:

"As a matter of fact, the 'NOVAK' laboratory for axonometric research, which had made forecasts concerning the election course at our request, had predicted Alyaksandr Lukashenka's victory. Still, we did not expect such an overwhelming lead over the prime minister. I believe that this happened because Kebich and the current political elite were unable to develop a comprehensive platform. Due to that, during the campaign the Cabinet of Ministers chairman's team placed emphasis not on convincing the people, but on forceful methods. This boomeranged. All attempts to discredit Lukashenka brought to him people who had been undecided until the last moment. Thus, just as in all post-socialist countries, the election results in Belarus were a specific form of the people's protest against the drastic deterioration of living standards."

Alyaksandr Potupa, chief of the Future Research Center:

"According to my forecasts, which are known to television viewers and readers of many newspapers, Prime Minister Vyacheslaw Kebich should become president. I am still convinced that I am correct.

"No one expected such an anomalous outcome. Nevertheless, it must be taken into account that this was only the first round. Moreover, such results are very beneficial for our people. They will serve as a stimulus for 'a second brain convolution' to appear. I believe that our team has every chance for victory in the second round."

Yevgeniy Babosov, director of the Belarusian Academy of Sciences Sociology Institute:

"I link such a large margin between Alyaksandr Lukashenka and Vyacheslaw Kebich to the poor organization of the prime minister's last appearances on Belarusian television. I had the impression that Vyacheslaw Frantsevich was afraid of direct contacts with his opponents, and that he dodged urgent issues. However, I know that he can hold out pretty well even during an unbiased conversation. Therefore, this insignificant slander against Lukashenka, made public on the eve of the election, had a completely reciprocal effect, and increased the number of votes cast for the latter.

"I think that there are three options for the second round. Either, having united, candidates who lost in the election will appeal to vote neither for Lukashenka nor Kebich, and in this way they will 'blackball' both of them; or the team, which lost in the first round, will mobilize its ranks and analyze mistakes, and as a result, will avenge itself; and the third option is a landslide victory for Lukashenka."

National Bank Chairman Stanislaw Bahdankevich, member of Stanislaw Shushkevich's team:

"Such a huge margin between first and second places is really a big surprise.

"Based on the preliminary results of the first round of voting, one can also make forecasts for the final return."

Asked whether his statement, made in an interview published in NARODNAYA GAZETA, that he is ready to work with any president still remains in force, Stanislaw Antonavich replied: "The statement has been made, and I do not renounce my words. I am ready to cooperate even with Lukashenka, but such cooperation should be based on principles. In general, I believe that the Belarusian leadership needs to be reshuffled."

Party of All-Belarusian Unity, Accord Established

WS2706114094 Minsk Radio Minsk Network in Belarusian 1000 GMT 27 Jun 94

[Text] According to RID, the constituent congress of the Party of All-Belarusian Unity and Accord [Partyya Usebelaruskaha Adzinstva i Zhody] has been held in Gomel. The organizing committee of this party includes those who participated in the first stage of presidential elections but failed to secure a sufficient number of signatures to continue with their campaigns—Mikalay Shylyahovich, Viktar Tsyareshchanka, and Uladzimir Byalow. It also includes well-known Belarusian journalists, businessmen, and scientists.

Defense Minister Views Situation in Armed Forces

WS2806071594 Minsk RESPUBLIKA in Russian 25 Jun 94 p 2

[Interview with Belarusian Defense Minister Pavel Kazlowski by Nikolay Mirgorodskiy; place and date not given: "About Honor, Courage, and Glory"]

[Excerpt] [passage omitted] [Mirgorodskiy] You mentioned earlier that the Belarusian Military District [BVO] has tested new weapons and hardware. Does this mean that currently you do not test new military equipment? In general, where do you buy weapons, technology, uniforms, fuel, spare parts, and foodstuffs?

[Kazlowski] I like your question. You should have asked the same question to some of our deputies who blame all sins on our Army. Yes, earlier the Armed Forces were centrally supplied. The BVO was considered the best in the USSR. Moscow supplied us with everything. Currently, the situation has changed. The rigid system of centralized supply does not work. We have to seek bilateral agreements with Russia, Ukraine, Poland, and other states to maintain the Army's combat readiness.

Again, we experience difficulties with funds. I wish that the state would provide us with sufficient resources to fulfill our needs. However, alas! We have to trade, even though we are severely criticized for conducting such activities. Sometimes, this criticism is justified. You must agree with me that trade is not a top priority activity in the Army.

[Mirgorodskiy] The banner of the unit is sacred to all servicemen. Its loss is considered a great shame. What about our old banners? Will you abandon them or exchange them for "white-red- white" banners?

[Kazlowski] We have filed a petition with the Presidium of the Supreme Soviet to keep the old combat banners, medals, and unit names. This is our history, our memories. There has still been no final decision on this issue. The proposal regarding the national banner of the Belarusian Armed Forces with its accompanying attributes is under consideration. In our opinion, two banners—old and new—should be used side-by-side in the ranks.

[Mirgorodskiy] Could we imagine an enemy attacking our state? Will the Belarusian Army be able to protect us?

[Kazlowski] Our troops are in a state of combat readiness. This is unquestionable. The point is in something else. Can the Belarusian Army alone repulse a potential enemy? Everything depends on the scope of the conflict. The Army will fight, however, it is better to fight alongside some other friendly states. At least, this is more reliable.

[Mirgorodskiy] How much money will the Defense Ministry receive this year?

[Kazlowski] Some 4 percent of the overall state budget. This is only enough to keep the Army afloat. By the way, the Russian Armed Forces receive 20 percent of the state budget.

[Mirgorodskiy] According to you, we are short of military hardware. However, judging by recently published complimentary articles, we are successfully dismantling tanks, planes, and missiles. This is not logical...

[Kazlowski] This is logical if common sense is at all characteristic of our society. We are implementing the international agreements. However, we have the right to use some of the equipment—subject to dismantlement—as exhibits. This is our sore point. Still, there is practically no one who wants to buy vehicles which have been converted to civilian use. In addition, we can sell only a specified number of tanks while the remaining tanks must be dismantled.

[Mirgorodskiy] How do you use the metal?

[Kazlowski] It is further smelted in Zhlobin....

[Mirgorodskiy] Pavel Pavlovich, how do Belarusian servicemen react to the use of the Belarusian language, which is being currently introduced in the Army? It would be interesting to hear how military orders sound in Belarusian.

[Kazlowski] The reactions of privates and officers to this issue are different. However, the people understand the importance of this novelty and do not express added emotions. The language is being taught and we do not want to accelerate this process. Everything should be done thoroughly. However, graduates of our military colleges must speak fluent Belarusian.

[Mirgorodskiy] We spoke about the shortage of fuel and lubricants, spare parts, and ammunition. What about military training? Have you cut down on this program?

[Kazlowski] This is a separate question in itself. Military training is being fulfilled according to a program. We use

various types of training equipment, including equipment produced at Belarusian factories. We only try to restrict the redeployment of troops.

[Mirgorodskiy] Belarus does not train officers in all disciplines. Where does the Defense Ministry recruit experts?

[Kazlowski] We are short some 1,500 officers. A national Academy is being established and some colleges are being respecialized. In addition, we provide for the training of experts abroad. One month of training abroad costs us between $300 and $500. Is this expensive? Of course. We exchange students with some states, however, so this eases the problem. Currently, the cadets who entered our military colleges in the time of the USSR are completing their education. Very few of them, however, are eager to perform their service in Belarus because the monetary allowance of an officer in Russia is twice as high as that in Belarus. By the way, the allowance of a Belarusian private is half the current minimum wage.

[Mirgorodskiy] What is the price of a cartridge for a Kalashnikov assault rifle?

[Kazlowski] The cost of one artillery round—depending on the type of shell—is between $100 and $600. A cartridge for a Kalashnikov assault rifle costs $0.25. So, you can calculate and compare.

[Mirgorodskiy] We cannot raise all issues in one interview. Still, we are worried about the hazing of conscripts in our Army. It would seem that only Belarusian youth are in active service but this shameful phenomenon does not disappear.

[Kazlowski] Yes, to my regret. Groups representing various regions—"Vitebsk," "Grodno," "Minsk," "Gomel," and others—have been established. Yes, we have conflicts. Please, understand me: The Army is not separated from the state and all our conflicts are reflected in the Army. We are fighting against legal violations in the Army. However, can the Army reeducate a person, can it break him of his harmful habits? It is no secret that up to 30 percent of our conscripts have a criminal record. They are the ones who initiate the hazing of conscripts. I would like to stress that whatever we used to say about our former political instructors in the Army, their work produced definite results. It happens that commanders cannot fulfill the functions of instructors. They cannot become fathers to privates....

[Mirgorodskiy] The last question is not very pleasant. At the coordinating meeting of leaders of law enforcement agencies dealing with the fight against crime and corruption, the Defense Ministry faced criticism from the prime minister. For example, you were criticized for not participating in the strengthening of public order. What can you say about this?

[Kazlowski] Currently, some 170 servicemen are patrolling the streets of Minsk. They have taken some 800 people into custody. I would like to know what became of these people later.... In addition, the attitude of some militiamen to us is different. It is up to experts to define how many servicemen are required to patrol the streets. Minsk may require more, while Mogilev or Bobruysk—fewer.

Moldova

Russian Intelligence Service Chief Visits Chisinau

AU2706144894 Chisinau BASAPRESS in English 2110 GMT 24 Jun 94

[Text] Chisinau BASAPRESS, 24/6/1994—The chief of the Federal Intelligence Service of Russia, Sergey Stepashin [name as received], arrived today in Chisinau. Sources from the Moldovan Ministry of National Security stated to BASAPRESS that the Russian dignitary is in Chisinau to sign an agreement of cooperation between the security services of both states. The draft agreement stipulates the coordination of joint activities in combating terrorism, smuggling, drug business, and illegal armament trade. The parties also intend to come to an agreement concerning joining forces in combating the illegal immigration of citizens of underdeveloped countries to Western Europe, by using the territories of Russia and Moldova as transit stations. The same sources announced to BASAPRESS that Sergey Stepashin will stay in Moldova two days and will meet President Mircea Snegur and Premier Andrei Sangheli. Stepashin also intends to pay a visit to Tiraspol. No terrorist acts were committed this year in Moldova. In 1993, the Moldovan frontier guards prevented the attempts of dozens of illegal immigrants to traverse Moldova.

Cooperation Accord Signed

AU2706145094 Chisinau BASAPRESS in English 2110 GMT 24 Jun 94

[Text] Chisinau BASAPRESS, 24/6/1994—The cooperation agreement between the Moldovan National Security Ministry and the Russian Counterintelligence Service was signed today in Chisinau, states the National Security Ministry press service. Vasile Calmoi, National Security Minister, mentioned that the agreement is welcome in times when "the cooperation of special services has become necessary for combating criminal activities that threaten state and individual security." The representatives of the Russian Counterintelligence stated that the signing of the agreement proves once more that Russian special services will never carry out subversive operations against Moldova. They said that the agreement itself stipulates the interdiction of using against each other the means and torches of the security organs as "Russia is firm in its stance, which recognizes Moldova's independence and integrity." They also said that they support a peaceful settlement of the Dniester conflict. They assured that "the Russian Counterintelligence Service will offer its support only within the

legal framework." Previously, Moldovan National Security signed similar agreements with the Ukrainian Security Service and the Russian Foreign Information Service, states the communique.

Dniester Officers Allegedly To Train Crimean Soldiers

AU2706145194 Chisinau BASAPRESS in English 2228 GMT 23 Jun 94

[Text] Tiraspol, ROMPRES, 23/06/1994—Informed sources from the 14th Army told BASA that a group of 30 officers of the Dniester Security Ministry had left for Crimea. The group is assigned to take part in preparing the soldiers of the Crimean Interior Ministry to carry out certain military operations. Sources from the Dniester security told BASA that such information is totally unfounded. The same sources stated that the spreading of such rumors is part of the campaign to discredit Tiraspol officials. Earlier, it was said that a group of eight officers of the "Delfin" detachment and "Dniestr" battalion of the Dniester Interior Ministry were sent in 1993 to Abkhazia to organize diversions in the rear of the Georgian Army. Sources from the 14th Army said that the Abkhazian defense minister sent a letter to the Tiraspol Interior Ministry recommending promotion of the officers of the "Dniester" battalion who took part in military operations in Abkhazia.

Dniester's Smirnov Views Peace Talks, 14th Army Pullout

AU2706142994 Chisinau BASAPRESS in English 2110 GMT 24 Jun 94

[Text] Moscow BASAPRESS, 24/6/1994—The president of the self-proclaimed Dniester Republic, Igor Smirnov, held a press conference at the headquarters of the Moscow newspaper SOVYETSKAYA ROSSIYA (SOVIET RUSSIA.) The Tiraspol leader declared that the latest negotiations with the Chisinau authorities proved that the political solution of the conflict is still indefinite; economic relations with Moldova first need to be restored. Smirnov stated that the 14th Russian Army is not willing to contribute to the solution of the conflict, because the soldiers benefit from high incomes for their service in a "conflict zone." According to the Dniester leader, Tiraspol presently has claims to the assets of the military units which are to be evacuated from the Eastern regions; it also intends to inherit the rest of the 14th Army property after the latter leaves the region for good. "[14th Army Commander General Aleksandr] Lebed inherited the military equipment and ammunitions of the entire south-western sector of the Soviet Army. We have been a part of the USSR; we paid taxes and now have full rights to possess the property of the troops on our territory," said Smirnov. Commenting on the latent conflict between the Tiraspol authorities and the commander of the 14th Army, Smirnov stated that "the necessity to search for corrupt persons is a feature of Lebed's character" and, eventually, it will be of great use if he returns to Russia. "I do not think I should argue with or deny Lebed's declarations," [accusing the Dniester leaders of corruption] mentioned the Tiraspol leader, reminding that during the recent celebrations on 19 June dedicated to the second anniversary of the tragic events in Bender, Commander Lebed was booed by the audience.

Says Army 'Not Interested' in Resolving Conflict

PM2706144594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 25 Jun 94 p 2

[INTERFAX report: "The 14th Army Likes It in the Dniester Region"]

[Text] At a news conference held in Moscow Igor Smirnov, president of the self-proclaimed Dniester Moldavian [Moldovan] Republic [DMR], declared that "individuals in the 14th Army are not interested in resolving the conflict" between Moldavia [Moldova] and the DMR. He based his opinion on the argument that the wages of a 14th Army officer stand at 300,000 Russian rubles, i.e. 1.5 million former Soviet rubles, which are the basic monetary unit in the DMR. Therefore, officers would not like to leave the Dniester region.

Dniester Parliament Chief Opposes 14th Army Pullout

LD2806100394 Moscow ITAR-TASS in English 0925 GMT 28 Jun 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 28 June TASS—The 14th Russian Army could be a guarantor against an outside aggression against either the Dniester Republic or Moldavia as a whole, Dniester parliament chief Grigoriy Marakutsa told ITAR-TASS.

Marakutsa favours the conclusion of an appropriate agreement with Russia that would specify the status of her troops in the region. "This may be a military base of Russia or of a peacekeeping force of the CIS," said the leader of parliament of the republic unrecognised by Moldavia.

A Russian Army came to the region in the days of Empress Catherine the Second, and ever since has been the guarantor of peace and stability, Marakutsa said. An overwhelming majority of the population of left-bank Moldavia agree with this. They know quite well who "dampened hot-heads and stopped bloodshed in the Dniester area in the summer of 1992," he said.

"The 14th Army is not an expeditionary corps temporarily deployed on foreign territory," Marakutsa emphasised. "The Army officers are rooted in this land. Their houses, families and relatives are here." His opinion is that those who press for the earliest withdrawal of the Army from the Dniester area know well that one can take

away only its combat banner and a smaller part of hardware but that people would not go.

Speaking about the role of Russia in a settlement of the Dniester problem, Marakutsa pointed out that hardly any other state could play a more positive role than Russia. "Not every country would agree to expose its soldiers to danger to help a stranger in misfortune. The role of Russia in this respect is great and it will grow stronger," the Dniester parliament speaker stressed.

Snegur Addresses Parliament on Government Program

AU2706192594 Chisinau BASAPRESS in English 2228 GMT 27 Jun 94

[Text] Chisinau, BASAPRESS, 23/06/1994—The draft program on governmental activity, presented today to the parliament, proves that the government promptly determined its objectives and strategic directions in its activity, stated Mircea Snegur in his speech to the parliament. He mentioned that the conditions for accomplishing the program is unfavorable, but yet conditions are more favorable than in previous years a lot will depend on the fruitful interaction between the parliament and executive power. In his opinion, "it is worth noting the correct choice of the main reform objectives and their correspondence with current potential resources. The radical revision of state property to be privatized will take place in the coming months with the launching of mass privatization through efficient economic mechanisms and means. However, they should also be socially fair: They should comprehensible and accessible for all citizens." Snegur said that "the draft program is oriented toward the consolidation of Moldova's statehood, legitimacy and political and economic sovereignty assurance of a leap in the transition to the new economic relations alongside the use of state regulations that do not contravene the concept of market economy; restoration of Moldova's territorial-economic integrity; coordination of actions concerning social protection and spiritual development, assurance of human rights and individual liberties promotion of a constructive foreign policy, including economic relations with all countries and international organizations." Referring to the budget, fiscal and crediting policy, Snegur said that state means should be used to "provide Moldova with food products and energy resources and to preserve the current social and production infrastructures." "The state will be the majority holder of assets and through governmental and parliamentary actions most of the work of transforming state enterprises into joint-stock companies will be concluded in 1994-95." He also said that "the state will keep the controlling portion of shares in the branches of strategic importance." In his opinion, "overcoming the crisis will require firmness and political will, as reform has not progressed as it should have: the juridical organizational forms, methods and mechanisms of implementation were lacking." Snegur also disapproved of "the opinions of using exceptional and emergency economic measures even in the difficult situation that we face." He said that "the government can fulfill its responsibility by gaining people's confidence through initiatives and a decisive yet flexible policy capable of quickly changing the situation."

Government Passes Program on 1994-97 Activity

AU2706192294 Chisinau BASAPRESS in English 2228 GMT 23 Jun 94

[Text] Chisinau, BASAPRES, 23/06/1994—Today, the Moldovan Parliament passed (67 votes, against 12) the Program on Governmental activity for 1994-97. The opposition factions comprising the People's Christian Democratic Front Alliance and Peasants and Intellectuals Block voted against. Premier Andrei Sangheli stated during the parliamentary session that the main strategic objective of the Program is Moldova's economic stabilization in 1994-95, the accomplishment of reform on a large scale, and the assurance of economic growth that would better people's welfare in 1996-97.

PSDM Leader Reviews Current Socioeconomic Situation

AU2706135794 Chisinau BASAPRESS in English 2228 GMT 23 Jun 94

[Text] Chisinau, ROMPRES, 23/06/1994—The Social Democratic Party of Moldova [PSDM] today held a press conference. It made public its attitude toward the socio-economic situation in Moldova in the 100 days since the 27 February elections. "The collapse of the standard of living is taking place along with a more insolent theft of state property. The blockage of mass privatization leads to decreasing prices for patrimonial vouchers: this removes the last chance open to the Moldovan citizens to escape hunger and poverty," states the PSDM declaration made public during the press conference. Oazu Nantoi, PSDM chairman, stated that due to the election results a single party is at power this party is responsible for the worsening socio-political situation in Moldova. In his opinion, the stability of the national currency "is due not only to the international credits or policy pursued by the National Bank, but to the Moldovan population's limitless patience." "The governing party is hurrying to ensure a political comfort similar to that of the communist party during the stagnation period. We are witnesses of a cleansing of those who have not hastened to show their loyalty to the governing party," said Nantoi. He also pointed out that freedom of expression is smothered in Moldova and censorship is used in state media. He alleged that the Government "has no clear strategy on how to settle the problems of Eastern and Southern Moldova or consolidating Moldova's statehood." Nantoi stated that another step toward Moldova's disintegration has been enacted by creating a symbolic federation within which the central administration cannot establish sovereignty on its territory. He said that the officials' exaggerated dependence on the relations between Moldova and

Russia and "Chisinau's political inefficiency" stimulate Russia's demands for concessions. Nantoi pointed out that in the recent Tiraspol-Chisinau negotiations, the opinions of the Moldovan citizens living in Dniester were not heard. Commenting on the president's joining of the PDAM [Democratic Agrarian Party of Moldova], Nantoi said Snegur thus "assumes responsibility for the policy of the governing party."

Smugglers Caught Trying To Sell Radioactive Substance

LD2806055594 Moscow Mayak Radio Network in Russian 0500 GMT 28 Jun 94

[Text] According to information in the RABOCHAYA TRIBUNA a criminal group which tried to sell a container of radioactive substances exported from Russia for $20,000 has been detained by the police in Moldova. An expert investigation showed that the factory-made package, which was confiscated, contained gamma-cobalt-60. In spite of the fact that it had been hermetically sealed, the experts discovered a small leak of the radioactive substance.

Dniester Spokesman Favors Cooperation With Russia

LD2806102894 Moscow ITAR-TASS in English 0930 GMT 28 Jun 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 28 June TASS—The Dniester Republic favours the development of close economic cooperation with Russia, the Republic's parliament chief Grigoriy Marakutsa told ITAR-TASS.

At the same time he is of the opinion that the relations with Russia, with which markets of commodities, raw materials and technology are linked, are being restrained by the Dniester area's uncertain status. For example, Marakutsa said, "we agree to independently repay debts to Russia for gas but the Russian Gazprom signed an appropriate agreement only with the Moldavian [Moldovan] Government."

In connection with the fact that the Dniester Republic, which has not been recognised by Moldavia, cannot pay with its own products and money for gas supplied by Russia, Marakutsa suggests taking the road followed by Baltic states, Ukraine and Byelorussia [Belarus]. His opinion is that one can pay for the supplied raw materials and energy resources by property, the establishment of joint ventures and apply other economic forms of cooperation.

Tiraspol, Russian Regional Banks Cooperate

AU2706135594 Chisinau BASAPRESS in English 2228 GMT 23 Jun 94

[Text] Chisinau, BASAPRESS, 23/06/1994—"I consider the agreement of economic and commercial cooperation between the self-proclaimed Dniester Republic and the Russian Federation's Novocherkask region as a bilateral relation between regions of two independent states," declared to BASA Alexandru Buruian, Moldovan vice-minister of foreign affairs. This agreement was signed in Tiraspol ten days ago and stipulates the creation of joint-ventures, raw-materials supplies, creation of corresponding accounts between the State Bank of Dniester and the Regional Bank of Novocherkask, free movement of transport on the territories of both parties. Buruian stressed that, despite the fact that the document's text is based on the notion of a "Moldovan Dniester Republic," the Moldovan Department of Foreign Relations will not protest to the Russian Ministry of Foreign Affairs, because it does not consider that the economic relations between regions are managed by the Moscow Diplomatic Department. Despite all, Buruian doubted the legality of the relations between the official Russian banks and the Tiraspol bank, unauthorized by Chisinau. Commenting on the agreement's article on joint criminal persecution, Buruian stressed that this point also violates Moldovan and Russian laws. "Besides, taking into consideration recent sad events, this point of the agreement could stimulate Russian military formations to enter Dniester," declared Alexandru Buruian. Sources from the Moldovan Department of Foreign Economic Relations stated to BASA that Tiraspol representatives did not consult experts from Chisinau before signing the agreement with Novocherkask.

Kazakhstan

Nazarbayev Dissolves State Coal Company

LD2806102094 Almaty Kazakh Radio Network in Russian 0800 GMT 28 Jun 94

[Text] In order to improve the management of the coal industry of the republic, President Nazarbayev issued an edict dissolving the state holding coal company Komir in accordance with stated regulations.

Ethnic Kazakhs Return From Mongolia

LD2806100894 Almaty Kazakh Radio Network in Kazakh 0800 GMT 28 Jun 94

[Text] During the past three years over 5,000 Kazakhs from Mongolia, or 584 families, came to settle permanently in Semipalatinsk Oblast. The oblast administration rendered financial assistance to them and found jobs and homes for our brothers from Mongolia.

Text of Government Anticrisis Program

LD2706150394 Almaty KAZTAG in Russian 1050 GMT 27 Jun 94

[Text] [no dateline as received]—On the government's moves to accelerate the reform and lift the country out of the economic crisis—Report of the Council of Ministers at the Supreme Kenges session on 23 July 1994 (presenter Prime Minister S.A. Tereshchenko):

Esteemed Chairman, esteemed deputies of the Supreme Kenges of Kazakhstan:

The Council of Ministers has submitted a new document for consideration by the parliament, a memorandum which includes information on the government's moves to implement the program of urgent anticrisis measures and broaden the reform, as well as the main program objectives of the government's economic midterm policy resulting from the president's address to the Supreme Kenges. Besides, the government has completed its elaboration of the program of actions aimed at accelerating the reform and stabilizing the economy, making specific the main provisions of the president's address to parliament and the memorandum you received earlier.

This program is based on the proposals selected by the commission set up by the president in January this year. The program takes into account the opinions of entrepreneurs, industrialists, researchers, ministries, and departments. It was discussed at the congress of industrialists and entrepreneurs and at yesterday's session of the Council of Ministers. President Nazarbayev made some comments on it. The program will be further elaborated and submitted for your discussion. Its main guidelines are depicted in the memorandum and in the illustrative materials.

To avoid repeating the aforementioned documents, I believe it appropriate to dwell in my speech on an analysis of the reform's progress and on the main problems, and also to highlight the key directions of our work, the essence and substance of the government's measures to be taken in the coming period.

The toughness and duration of the process of radically transforming a planned economy into a market one depend mainly on which approaches are used.

In our republic, the government's course comprises three basic measures:

1. Economic liberalization through removal of controls over prices and manufacturers;

2. Macroeconomic stabilization through regulation of the money in circulation and achievement of a balanced budget;

3. The sale of state property to individuals and/or organizations.

The course of reforms carried out by the government in previous years was objectively predestined and unavoidable. One can say that it was mistaken; one can object to it; one can, so to say, "forcefully" express lack of confidence in it. However, nothing can change the realistic assessment of that course. No matter who headed the government or who the members of the government were, the government would have pushed the reform in the same direction. To say that some things might have been done better is quite another matter, but that would be to speak only of some quantitative changes, not qualitative ones. The results would have been exactly the same—deterioration, inflation, a decline of living standards.

Can one seriously speak about implementing any other measures given that the USSR and the common economic area have disintegrated but the common ruble is still there, and that we lost big financial sources and inherited an exceptionally unbalanced economy at the start of the reform after Russia began its reforms? Certainly not!

Anything the government says or does is now criticized. I am quite sure that somebody will again ask: "How long are you going to keep referring to the former USSR to 1992?"

Nevertheless, unless we look back to the starting point, one cannot digest the logic and dynamics of changes, one cannot understand what we have already achieved or the position in which we find ourselves, the point we have reached in the course of transition and what our next steps will be.

In this respect, the further away we are from 1992, the better and deeper we see the underwater part of the whole iceberg of the problems we have had to tackle.

It is absolutely clear today that to transfer the economy from one state into a qualitatively new one which is on a much higher level demands money, and a lot of money.

We began our reform under ultimately unfavorable conditions when, after the collapse of the USSR, we lost large subsidies and subventions from the center, when the source supplying us with cheap petrodollars was depleted, and when "Gorbachev's" foreign loans were coming to their end.

All this meant knowing full well first, that the budget demanded significant cuts even without reforms, second, that we would have to implement the reforms at our own expense. The latter meant in fact that we would have to be very tough toward the production and social sphere. In fact, we have done that.

The burden of taxes was constantly increasing. The debit side of the budget was kept within the necessary limits at the expense of continuing cuts in the social sphere.

When we were in the ruble zone, we could for a certain time compensate for all our production budget cuts with the help of a softer crediting policy. But after Russia had introduced corresponding accounts, and later when the ruble zone collapsed, we had to be much tougher in our crediting policy.

Any softening of loans or budget after the introduction of our own national currency would have meant inflation and a fall in the tenge exchange rate, and further blows for the production and social sphere.

If you like, this is all there is to know about the ins and outs of the ongoing processes, and this is the state of finance in the period of reforms.

Of late, we have got so used psychologically to negative processes in our society and economy that we do not pay sufficient attention to positive phenomena. Without timely evaluation and support for the latter, we cannot view the long term prospects or correctly grasp our strategic development. Since the beginning of the reform and Kazakhstan's acquisition of state independence two and a half years ago, we have done quite a lot. This enabled us to achieve noticeable positive changes which ensure the irreversibility of our society on its way from the command-distribution system to a market economy.

1. First of all, cardinal changes are occurring in the ownership relations which are the basis for all structural and economic reforms.

The ratio between the state and private sectors of the economy are changing significantly. The private sector's share in the overall gross domestic product in the previous five years has almost trebled—from 9 percent in 1988 to 26 perceent in 1993.

The ongoing process of privatization, which is strictly channeled along all three directions, enhances the growth of the private sector.

2. A complete replacement of the centralized state pricing system by a free market pricing system is a positive step.

The previous state pricing system disguised deep structural biases and disproportions which had emerged in the republic's economy. Very often the system did not react to the dynamically changing demands and requirements of specific consumers, and systematically generated a devastating shortage of various goods and services.

Today most of the prices are set by manufacturers themselves, by distributors and sellers who take into account the ratio between supply and demand on the commodity markets. Currently, free market prices, which very quickly react to any changes in consumers' demands and even to decisions made by the government, very often force enterprises and individual entrepreneurs to radically restructure their work.

3. The government has achieved positive changes in liberalizing domestic and foreign trade. The discredited system of centralized distribution of material and technical resources has been practically fully dismantled. It did not allow state enterprises to independently sell their products directly to buyers. Because of this, useless stockpiles of unwanted products built up in warehouses and resources were in short supply.

Today enterprises are absolutely free to choose their trade partners and they can freely determine with them all contractual provisions and all agreements on production and delivery of goods. The government no longer interferes in the establishment of economic links; on the contrary, it strives to assist domestic enterprises, especially when mutual deliveries to enterprises in Russia and other CIS member countries are concerned.

The list of licensed and quoted goods has been significantly reduced, both for exports and imports.

Restrictions on the export of goods sold for the national currency have been lifted. Customs duties and tariffs have been seriously re-examined.

Social and economic stability, and the government's consistency in implementing the reform, have provided firm guarantees for foreign investors. During the previous two years, the volume of investment has nearly trebled. The republic had a positive trade balance in 1993 for the very first time.

4. As far as the budget reform is concerned, the government and the previous Supreme Kenges established a system of taxes and tariffs which is an integral whole, though it may be far from perfect. Direct budget subsidies for enterprises have been eliminated. Subsidies for regulated prices are also being eliminated. The government has consistently decreased budget expenditures on subsidies for loss-making enterprises and compensations for differences in related costs and prices. In 1992 they equalled 11.6 percent of all expenditures, and in 1993 they were only 6.2 percent. Import subsidies have also been discontinued.

Apart from implementing its nationwide objectives, the budget is becoming more and more socially oriented owing to the targeted support for the least protected groups of the population. Along with this, the Finance Ministry is gaining more control.

The government's relations with the national bank are becoming more market oriented. The national bank is concentrating on monetary circulation matters and on strengthening the national currency in the framework of the two-tier banking system.

Kyrgyzstan

Akayev Decree Establishes New Presidential Administration

LD2706173994 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 26 Jun 94

[Text] The Kyrgyz president issued a decree concerning presidential administration of Kyrgyzstan.

With the aim of ensuring the implementation of the Kyrgyz president's proposals, which were [word indistinct] at the constitution of the Kyrgyz Republic, and to provide high skills and [word indistinct] for the working apparatus of the head of the state, I decree:

First, with the abolition of the apparatus of the president of Kyrgyzstan, to establish the administration of the Kyrgyz president. The work of the Kyrgyz president's administration should be managed by the state secretary under the Kyrgyz president.

Second, to appoint Rustembekov Djanysh Sultankulovich as the state secretary under the Kyrgyz president.

Third, the following [words indistinct] should be carried out concerning the state secretary under the Kyrgyz president:

—Within two weeks time to draft the plan for the administration of the Kyrgyz president;

—Within one month to draft the plan for the component parts of the presidential administration;

—To resolve the matters regarding the redeployment of staff, in connection with the abolition of the apparatus of the Kyrgyz president.

Fourth, the decree takes effect upon publication.

The decree is signed by Kyrgyz President Askar Akayev and dated Bishkek, Government House, 23 June 1994.

'Justified and Growing Concern' Over PRC Nuclear Tests

PM2706133394 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 25 Jun 94 p 2

[Article by Kamil Bayalinov under the "Chinese Ceremonies" rubric: "Chinese People's Nuclear Tests Fall to the Lot of the Kyrgyz People"]

[Text] The Kyrgyz Foreign Ministry has finally responded to this Chinese nuclear explosion with a "statement." The mild document, retouched by experienced diplomats, says that Kyrgyzstan..."welcomes the aspiration expressed by China for the complete destruction of and ban on nuclear weapons, as well as for the achievement of a universal ban on nuclear testing." The whole tone of the statement is couched in a spirit as if Kyrgyzstan were apologizing for its nuclear tests. However, at the end of the "memorandum," the diplomats got down to business: "In the space of not quite two years, China has carried out three nuclear tests. To us it is obvious that such tests have a negative effect on the environmental situation and the health of people in the region. Kyrgyzstan, as a state which borders directly on China, is experiencing justified and growing concern about this matter."

Having carefully studied the document, the Chinese Embassy in Bishkek delivered its answer to Kyrgyz representatives. It reports that China unfailingly advocates "the complete destruction of and ban on nuclear weapons, and, in this context, the implementation of a universal ban on nuclear tests." But since China understands the concern of its neighbors perfectly well, then it is exerting every effort to conclude treaties on a universal ban on nuclear explosions....

Following such an answer, it evidently remains for the Kyrgyz to apologize for the trouble caused to the Chinese.

The Chinese nuclear test range at Lop Nor is situated to the south of East Turkestan, which is now part of the Xinjiang Uygur Autonomous Region. The first explosion occurred in October 1964. By the late 1960's there had been a series of tests of hydrogen bombs. At first the test range occupied a modest area—56 km by 36 km—but then it expanded considerably. The PRC nuclear research center is located here. Three operating sites for conducting explosions on land, underground, and in the air, are located on the territory of the test range. A test range for the study of the effect of radiation on animals and plants is situated near the city of Hotan. But the zone of the effect of radiation on people does not just include the entire Chinese autonomous area, but also one-half of Kyrgyzstan and part of Kazakhstan. According to figures from the "Nevada-Semipalatinsk" international antinuclear movement, after every hydrogen bomb test at the Lop Nor test range, the infant mortality rate in Alma-Ata [Almaty] and the area has gone up by 30-60 percent.

It is interesting that at the time of the latest test at Lop Nor, east winds have been blowing over the test range (this is very rare in the area, incidentally), in a direction away from Central China and toward Kazakhstan and Kyrgyzstan. Following the nuclear explosion in May 1992, aerosol tests in Bishkek showed an increase in the activity of ruthenium and strontium radiation by a factor of 20. And after all, Bishkek is 1,000 km away from the test range!

However, as far as radiation is concerned, there are no borders or distances. The Chernobyl tragedy is an example of this.

In four months' time, the Lop Nor test range will be 30 years old. During this period, the Chinese military have conducted 22 surface and 15 underground tests of nuclear and thermonuclear weapons. Naturally, without informing either their own citizens or the governments of adjacent countries about it.

The latest explosion resounded 10 June of this year. A powerful cyclone swept over northern Kyrgyzstan within several days. Information about an increase in the radiation level has not found its way into the press yet. The Kyrgyz leadership is adopting all possible measures to reduce anti-Chinese moods among the people, which are being intensified from one day to the next. And not only because of the nuclear tests being carried out by the mighty neighbor.

Tajikistan

Russian Border Patrol Fired on From Afghan Territory

LD2806075694 Moscow ITAR-TASS in English 0737 GMT 28 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 28 June TASS—A border patrol in one of the sectors of the Moskovskiy border guarding detachments was fired upon from automatic weapons from Afghan territory on Monday night, sources at the department of Russian border troops in Tajikistan told ITAR-TASS on Tuesday [28 June].

Fire was intensive enough, but, luckily, none of border guards was hurt. The border guards did not return the fire, the sources said.

The situation in the other sectors of the Tajik-Afghan border remains rather complex but is controlled by Russian border guards.

Tehran Communique Urges Cease-Fire; Next Talks in Islamabad

LD2806101394 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 28 Jun 94

[Excerpt] The second round of Tajikistan peace talks, which began in Tehran 10 days ago, ended this morning and the two sides reached some agreements on ways to implement a cease-fire.

During this round of talks, held in our country's Foreign Ministry Institute for Political and International Studies since last Saturday under the auspices of the UN secretary general's envoy, the two sides signed a joint communique today, stressing the need to abandon hostility and accept national reconciliation. Although the communique has not specified a timetable for implementing the agreements reached, the two sides have stressed the importance of implementing the cease-fire, halting illegal detention, and stopping any offensive operations and troop movements in Tajikistan and along its borders.

Also in this communique, the representatives of the Tajikistan government and the opposition groups have reached some agreements on the next round of talks in Islamabad and discussion on the issues related to the mechanism of controlling the cease-fire. The agenda of the second round of Tajikistan peace talks includes four main axes of establishing a cease-fire, a general amnesty, return of the refugees, and holding elections. The two sides, however, agreed to concentrate the main talks on the cease-fire control mechanism. [passage omitted]

No Accord in Government-Opposition Talks; Terrorist Acts

LD2706165894 Moscow INTERFAX in English 1500 GMT 27 Jun 94

[From the "Presidential Bulletin" feature; compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Akbar Turajonzoda, a co-chairman of the Islamic Renaissance Movement, said that the talks between the government and opposition held in Tehran had failed to produce a single joint document thus far. Talks on a cease-fire are still underway while the agenda has not been discussed, he said.

In an Interfax interview he expressed doubt that a mutually acceptable formula could be found before the talks ended. Turajonzoda emphasized, however, that if an agreement were signed, the opposition would observe a ceasefire inside the Republic as well as on the border. He made it clear that the official Dushanbe had also to abide by the agreement and compliance with it had to be supervised by observers from the UN and other international organizations.

Turajonzoda denied that the Tajik opposition had a hand in terrorist activities against Russian servicemen. He emphasized that Russia was the main guarantor of Tajikistan's security and the country's ally.

He thought that the acts of terror against Russian servicemen in Tajikistan had been engineered by those who wanted to drag Russia into the mire of civil war in Tajikistan and opposed a political settlement there.

Lieutenant General Aleksandr Bespalov, deputy commander of Russian border guards, told INTERFAX that the acts of terror against his men had been committed on direct orders from the Tajik government-in-exile. He believed that the most dangerous acts of terror (the latest of them occurred on 24 June when unknown gunmen fired at a bus carrying border guards officers in Dushanbe) had been perpetrated by the Black Islam group known for its fanaticism and callous cruelty.

Bespalov said that on the orders from the leaders of the Tajik opposition and the commander-in-chief of its militias Rezvon units of fighters had been concentrating on the Tajik-Afghan border, poised for an attack on Shuroabad, Darvaza and Bakhorak.

According to intelligence reports, the opposition leaders ordered moving Badakhshan front units, in which Iranian, Pakistani and Saudi mercenaries serve, from deep in Afghanistan to border areas. A field hospital has been deployed in the Afghan town of Chah-e Ab for Tajik opposition fighters and mercenaries. Its staff was recruited in Islamic states.

Bespalov thought that this was evidence of Tajik opposition leaders' intention to escalate the fighting. He said that those who obstructed the peace process on the border and inside the country would bear the responsibility for it.

Opposition Denies Terrorism Against Russian Servicemen

LD2706161794 Moscow INTERFAX in English 1530 GMT 27 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, S. Kolosova, and others]

[Text] Tajik opposition does not have a hand in terrorist activities against Russian servicemen, Akbar Turajonzoda, a co-chairman of the Islamic Renaissance Movement, told Interfax . He emphasized that Russia was the main guarantor of Tajikistan's security and the country's ally.

He thought that the acts of terror against Russian servicemen in Tajikistan had been engineered by those who wanted to drag Russia into the mire of civil war in Tajikistan and opposed a political settlement there. He said that Russian servicemen were being dragged deep into fighting the opposition and defending the Dushanbe regime.

Asked about the government-opposition talks that are scheduled to end in Tehran Monday, 27 June, he said that the two sides had failed to produce a single joint document thus far. Talks on a ceasefire are still underway while the agenda has not been discussed, he emphasized.

Turajonzoda made it clear, however, that if an agreement were signed, the opposition would observe a ceasefire inside the republic as well as on the border. He thought that the official Dushanbe had also to abide by the agreement and compliance with it had to be supervised by observers from the UN and other international organizations.

Meanwhile, Moscow has a different view of what is going on in Tajikistan. First Deputy Foreign Minister Anatoliy Adamishin told INTERFAX recently that he did not rule out complicity of the Tajik opposition in terrorist activities against the Russian servicemen and ethnic Russians in Tajikistan.

He admitted, however, that there was no direct evidence that the acts of terror were the work of the opposition.

For his part Lieutenant General Aleksandr Bespalov, deputy commander of Russian border guards, told Interfax that the acts of terror against his men had been committed on direct orders from the Tajik government-in-exile.

He believed that the Tajik opposition leaders intended to start a new round of hostilities and that opposition fighters were concentrating on the Afghan side of the Tajik-Afghan border for that purpose.

Concept of Agricultural Development To Be Revised

LD2706150294 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 27 Jun 94

[Text] A meeting took place in the Council of Ministers of the Republic, under the chairmanship of Abdulmadjid Samadov today.

The issue relating to revising the concept of development of agriculture of the Republic was discussed in the meeting. The heads of the relevant ministries and departments and prominent scientists of the Tajik Academy of Sciences attended the meeting. It was pointed out in the meeting that the present concept of development of agriculture should be revised in the conditions of the present-day economic crisis of Tajikistan.

The absence of foreign loans makes the farmers rely only on the use of home resources. [words indistinct] With the purpose of revising the concept of development of agriculture of the Republic, a working group has been established out of the scientists of the country's Academy of Sciences and prominent agricultural experts.

Uzbekistan

Karimov Appoints New Deputy Premier

LD2806105294 Tashkent Radio Tashkent in Russian 0500 GMT 28 Jun 94

[Text] By an edict issued by Islam Karimov, president of the Republic of Uzbekistan, Yuriy Fedorovich (Paigin) has been appointed deputy prime minister of the Republic of Uzbekistan.

President Comments on Visit to Turkey

LD2706170294 Moscow INTERFAX in English 1500 GMT 27 Jun 94

[From the "Presidential Bulletin" feature; compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Turkey occupies a special place among all countries with which Uzbekistan has good relations. This was stated by President Islam Karimov after his visit to Ankara.

He said that lately certain political forces have been dissatisfied with such a state of affairs. He added that everything promoting the country's growth and its international influence provokes their negative reaction. Karimov said these forces shadow relations with Turkey.

He said one of the main purposes of his visit to Turkey last week was to prove that Uzbekistan and Turkey are interested in each other. "I see Turkey as the closest, most reliable partner," the president stressed.

During the visit Karimov held talks with his counterpart Suleyman Demirel. The two sides signed a treaty on legal assistance in criminal, trade and civil cases and a protocol between the two foreign ministries on cooperation and mutual consultations.

Karimov urged Turkish businessmen to expand cooperation with partners in Uzbekistan and continue setting up joint ventures. (There are over 100 such mixed companies in Uzbekistan at the moment—INTERFAX.)

Armenia

Aide Calls on Karabakh Leader To Attend Talks

LD2706194794 Moscow ITAR-TASS in English 1907 GMT 27 Jun 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 27 TASS—"A separate meeting between the Armenian and Azeri leaders would be senseless since the comprehensive settlement of the Karabakh conflict can be reached only by the three sides involved Armenia, Azerbaijan and Nagorno-Karabakh," said Levon Zurabyan, the Armenian president's aide and his acting press secretary. "If such a meeting takes place, it should be attended by the Nagorno-Karabakh leader Robert Kocharyan," the aide said.

The representative of the Armenian president positively assessed the results of today's talks in Yerevan conducted by the Russian president's special envoy, Vladimir Kazimirov. The Armenian president's aide pointed out the importance of such working meetings for the clarification of positions assumed by the sides on the Karabakh settlement.

Kazimirov 'Satisfied' With Talks in Yerevan, Baku

NC2806104294 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0719 GMT 28 Jun 94

[Text] Yerevan ("LRAGIR", "AZG" dailies), 06/28/94—Russian President's Special Envoy Vladimir Kazimirov arrived from Baku to Yerevan yesterday, to continue negotiations on peaceful resolution of the Karabakh problem.

Kazimirov met the President of the Republic of Armenia Levon Ter-Petrosyan. Russian President's envoy declared after the meeting that he is satisfied by working negotiations in Baku and Yerevan, and feels that Armenians and Azeris are really interested in establishing peace.

"Baku seriously wishes to facilitate the preparatory work on signing a political agreement to stop the military conflict," said Kazimirov.

He stressed that opposing the CSCE and Russian projects would be erroneous, and several topics of the CSCE project were also included in the Russian plan.

"We can find many similarities though there are some differences," said Kazimirov. "If CSCE only offers a schedule of measures, Russia is attempting to stipulate signing a legal inter-state document on stopping the conflict. This is the first difference, the second is that the Russian plan has better developed mechanisms of cease fire, reducing the danger of resumption of military operations to a minimum." In his opinion, CSCE Minsk group's schedule doesn't stipulate such mechanisms.

Questioned whether CSCE may become an obstacle to implementation of the Russian mediation efforts Kazimirov said, he wouldn't like to believe this and hopes that Chairman of the CSCE Minsk group Eliasson will continue to collaborate.

Answering the question on when the agreement will be signed, Kazimirov said that they are ready to sign it tomorrow, but readiness of the conflicting sides is also required. Paying importance to Stepanakert's opinion Russian president's envoy said he was unable to visit Karabakh this time due to unfavorable weather conditions, but he hopes such a possibility will be created in the nearest future.

Kazimirov will leave to Baku and from there to Ankara today, to continue the negotiations. "I find the meetings in Teheran and future meetings in Ankara very important, as these countries are situated in the region and military operations are carried up to the Iranian border zone," he said. At the same time Kazimirov rejected the notion that a new form of regional resolution of the Karabakh conflict has been created.

Presidential spokesman Levon Zurabyan said in turn, commenting on Kazimirov's visit, it is still too early to speak on signing any documents or a significant progress. Nevertheless, he expressed the hope that lull, established at the fronts, will be supported by a corresponding legal document.

Leaves for Talks in Ankara

LD2806063194 Moscow ITAR-TASS in English 0623 GMT 28 Jun 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 28 TASS—Russian presidential envoy to Nagorno-Karabakh Vladimir Kazimirov is leaving Baku for Ankara on Tuesday to hold talks with Turkish authorities on the disputed enclave.

Speaking in Yerevan on Monday Kazimirov said that the talks "are routine consultations which have no sensations or special turns".

The envoy rejected the idea that contacts with Turkey and Iran "create a new format for talks in the regional aspect". He said his recent trip to Tehran and the upcoming visit to Ankara are made in return to the talks of diplomats of the two countries recently held in Moscow.

Kazimirov recalled that combat activities had been held right on the Iranian border with Azerbaijan going along the Arax river. He said this was a "very aggravating circumstance" which can make the conflict spread to other countries. "that is why the position of iran is an important factor and we take it into consideration", the envoy stressed.

Yerevan Reports Cease-Fire Violations

NC2706160694 Yerevan Radio Yerevan in Azeri 1330 GMT 27 Jun 94

[Text] Dear listeners, we now present a report on the latest situation in the Nagorno-Karabakh Republic [NKR] and the border between Armenia and Azerbaijan.

The latest reports from the NKR have confirmed that no incident has occurred in the confrontation areas. The sides have been trying not to allow any incident which may create a new tension in the region. In general, the cease-fire agreement is being heeded. The situation in the front line areas is peaceful, that is, not taking into account the shooting by Azerbaijan's military units from time to time. In view of that, we hope that the peaceful situation will not be temporary and that a result will be achieved through the talks that are held at various levels to convince the two sides to end the confrontation.

Regrettably, a stable situation has not been established on the border between Armenia and Azerbaijan. The reason for that state of affairs is the frequent shooting from Azerbaijan in the direction of various settlements in Armenia. Azerbaijan's military units have fired mainly on Armenia's Idzhevanskiy, Tavushskiy, Noyemberyanskiy, and Araratskiy Rayons. Other areas also have been fired on. It must be stressed for the sake of justice that the Armenian side has refrained from returning the fire in several cases.

The Armenian Ministry of Defense Information Service has disclosed that Azerbaijan's military units fired on several border towns in Noyemberyanskiy Rayon with various types of arms last night. The Armenian side did not return the fire.

Karabakh Defense HQ Cited on Azerbaijani Shelling

NC2806103594 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0719 GMT 28 Jun 94

[Text] Stepanakert ("AZG", "LRAGIR" dailies), 06/28/94—The situation at the Karabakh fronts remains unchanged.

According to the RMK [Republic of Mountainous Karabakh] defense army headquarters, the Azeri units continue shelling the Karabakh defense positions in the Mardakertskiy and Agdamskiy districts. The Karabakh units have been refraining from returning the fire.

RMK military reconnaissance reports significant concentration and movements of the Azeri manpower and equipment in the direction of the settlement of Agburun in the Martuninskiy district.

"The RMK National Security Department has reliable information about a new offensive, being prepared against Karabakh by Azerbaijan," said Chairman of the department Kamo Abrahamyan. He reported that new army summons have started in Azerbaijan a few days ago. Men of different age groups are called up to the army. At the same time, new batches of weaponry, ammunition and food are being received from Turkey and Ukraine. This all, as well as regrouping of enemy forces at the fronts is evidence that the Azeri Government is not serious about CSCE and Russian peace projects.

Agreement Signed With Russia on Joint Oil Prospecting

NC2706211994 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 27 Jun 94

[Text] Armenian State Directorate for Underground Resources and the Russian Committee for Geology and Exploitation of Underground Resources signed an agreement in Moscow on cooperation in the geological study and exploitation of underground resources.

The principal aim of the agreement is to draw up and implement a mutually-advantageous policy for the geological study of the underground resources.

In accordance with one of the points in that agreement, a protocol was also signed in Moscow on the Armenian Republic's participation in the exploitation of oil and gas fields in Russia. The Armenian side is mostly interested in participating in the exploitation of one of the oil and gas fields in western Russia. It will make certain investments and participate in the work by establishing an Armenian-Russian joint venture with any Russian organization certified to exploit the underground resources.

In return, the Armenian side is ready to examine the issue of the participation of the Russian enterprises in the geological study and exploitation of the oil and gas fields in Armenia.

Azerbaijan

Aliyev Supports Inviting Iran, Turkey to Talks

LD2706165794 Moscow INTERFAX in English 1500 GMT 27 Jun 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] Azerbaijani President Heydar Aliyev believes inviting neighboring Iran and Turkey to take part in negotiations on Nagorno-Karabakh would be a positive factor. Aliyev was speaking on Sunday as he received the special Russian presidential envoy Vladimir Kazimirov at talks on Nagorno-Karabakh in Baku.

The Russian diplomat arrived in the Azerbaijani capital from Iran, where he had had consultations with that country's foreign ministry officials. He said consultations with the Turkish Foreign Ministry were due to be held shortly.

President Aliyev would like the current cease-fire to be used to speed up the process of negotiations. At the same time Aliyev said that Azerbaijan's conditions for a final political agreement remained unchanged—Armenian armed detachments must be withdrawn from captured territories and Azerbaijani refugees returned to their homes.

President Aliyev promised that supply lines would be restored and the safety of Nagorno-Karabakh's Armenians as citizens of Azerbaijan ensured. President Aliyev said that a discussion of Nagorno-Karabakh's future status would depend on the comprehensive implementation of all those requirements.

Kazimirov Seeks Talks With Turkey, Iran on Karabakh

NC2706194994 Baku TURAN in English 1604 GMT 27 Jun 94

[Text] Baku (June 27) TURAN—"During yesterday talk in our embassy with Russia's special envoy Vladimir Kazimirov we discussed issues concerning the settlement of Armenian-Azeri conflict" TURAN was told by Altan Karamanoglu, Turkish envoy in Azerbaijan.

Karamanoglu said, that during the conversation Kazimirov expressed his wish to visit Turkey. According to Karamanoglu, Kazimirov leaves for Ankara tomorrow by "Azal" airline flight. A working program of Kazimirov's visit to Turkey was also discussed. Karamanoglu said that Russian envoy will meet with Turkey Foreign Ministry's experts in Ankara.

Today Kazimirov has returned from Yerevan to Baku. "Presently, he tries to agree CSCE and Russia's plans into a single plan. We know that Azerbaijan wishes to settle the Karabakh conflict within the CSCE framework", said Karamanoglu.

Kazimirov's intentions to consult with Iran and Turkey was explained by Karamanoglu as "realising the fact that the solution of the problem will be possible only within the CSCE framework".

"Though Iran is not a member of CSCE, participation in the process of such countries as Russia, Iran and Turkey is avoidable", said Karamanoglu. [sentence as received]

Continues Mediation Efforts in Baku

NC2706201594 Baku TURAN in English 1804 GMT 27 Jun 94

[Text] Baku (June 27) TURAN—Yesterday President Aliyev met with Vladimir Kazimirov, a special Russia's representative for Nagorno Karabakh.

Kazimirov left Tehran for Baku on Saturday evening, where he has discussions in Iran Foreign Ministry for the settlement of Armenian-Azeri conflict.

During the meeting Aliyev noted that Azerbaijan states the continuation of mediatory activity with satisfaction. "But this work should not stop and ceasefire should be used for completion of negotiating process", noted President.

According to Aliyev, contacts of Jan Eliasson—head of CSCE Minsk group, Kazimirov Vladimir Shumeyko—head of Russia's Council of Federation and Anatoliy Adamshin—deputy of Russia's Foreign Ministry in Moscow are of great importance. "It is a good moment in negotiating process and it is necessary to join efforts of CSCE Minsk group, CIS and Russia to make this process more efficient", noted Aliyev.

Eliasson's and Kazimirov's joint appeal to the Presidents of Armenia and Azerbaijan was appreciated by Aliyev. "This appeal meets our interests, we think it was right and we accept it", noted Aliyev. According to him Azerbaijan will firmly support ceasefire.

"According to Eliasson, who was in Yerevan, Armenia also insists on active participation of CSCE Minsk group in the conflict's settlement and stands for ceasefire. But Armenian troops attacked towards Sadarak region (Nakhichevan Autonomous Republic) and in a few days attacked borders of Kazakh region on June 19-20. In result, six Azeri soldiers were killed and there were a lot of wounded", noted Aliyev.

"Such incidents are unavoidable and each time they should be localized in order not to impact the situation", said Kazimirov. He also noted that the incidents on the borders anxired [made anxious] mediators. "The joint appeal to the presidents of Armenia and Azerbaijan, as well as to Robert Kocharyan [Karabakh leader] was caused by these incidents. We appealed to them in order not to sharpen the situation", told Russian diplomat.

According to Kazimirov, Russia supports consultations with Iran Foreign Ministry. "We will have consultations also with Turkey in near future" he noted.

Aliyev named these consultations "natural moment in negotiating process". According to him, two countries neighbouring with Armenia and Azerbaijan, can not be indifferent to the events in the region.

Kazimirov told Aliyev that his meeting with Eliasson, within the framework of the "nine" of Minsk group together with participation of representatives of warring parties will take place, in early July in Vienna. Then, meeting of CSCE Interparliamentry Assembly will take place on July 4 in Vienna and during the period from July 5 to July 8 a session of CSCE Minsk group for the conflict settlement will take place.

"It is very important to move towards the Big Political Contract during this period. If this time is used for propagandic war, that time will be wasted and will cost people a pretty penny", noted Kazimirov. According to Kazimirov, the attempts to contradict CSCE to Russia is also a waist of time. "But we don't see any contradictions in the settlement plans of CSCE and Russia, there some

contradictions not in the essence, but in the details", said Kazimirov. He noted that Russia is ready to mutual cooperation with CSCE.

According to Aliyev, Azerbaijan's terms in the settlement process remain unchanged. "The withdrawal of Armenian troops from the captured territories and return of the refugees to their houses is the very important term. After that, restoration of communications and security of Armenians of Nagorno Karabakh, as well as discussion of Nagorno Karabakh's status will have some logical meaning", noted Aliyev.

Kazimirov had negotiations in the Turkish embassy in Azerbaijan late at night yesterday. The negotiations lasted more than three hours. On June 27 Kazimirov left Baku for Yerevan.

Killing of 15 Kurd-Yezidis in Armenia Reported

NC2706200094 Baku TURAN in English 1604 GMT 27 Jun 94

[Text] Baku (June 27) TURAN—Over 15 Kurds-Yezidis were violently killed during the clashes on the ethnic base between the Kurd-yezids population of Garalar village of Araratskiy region in Armenia and group of armed Armenians, who came from Yerevan. TURAN was told by informed source that the clash took place in the middle of June, when some representatives of Kurd Working Party [PKK], functioning in the republic, were arrested by Armenian authorities.

This event sharpened the complicated social and political situation in Armenia. The Kurds again remember the violent murder of Said Ibon, famous pediatrist, Kurd by nationality, killed by Armenians in 1991 in his office.

According to information, Levon Ter-Petrosyan, Armenian president, ordered to deploy special forces and military hardware imto Garalar village and other regions where Kurd population live. The troops were ordered to open fire, if any attempts of counterraction on the part of local Kurd population take place.

Opposition Leaders Return From U.S. Trip

NC2706202294 Baku TURAN in English 1804 GMT 27 Jun 94

[Text] Baku (June 27) TURAN—On June 23 the opposition leaders of Azerbaijan—Nadzhaf Nadzhafov (PFA) [People's Front of Azerbaijan], Asim Mollazade (PFA) and Sabit Bagirov (Musavat) returned from the trip to the US, which has been lasting for ten days. They were invited by the National Democratic Institute.

The Deputy of Supreme Soviet, the member of the PFA Consultative Council, Nadzhaf Nadzhafov said that the trip was very fruitful. The members of the delegation met with the employees of the US State Department, White House, NATO's experts and scientists from Research Centres

"We tried to know the US strategic interests in our region and Washington's assessment of geopolitical situation in Transcaucasia", said Nadzhaf Nadzhafov. He mentioned that each specialist has its own views and that's why assesses the events in the Caucasus differently. In this connection, it is difficult to speak about the US common policy concerning the Caucasus. American specialists directly said that they are interested in development of Azerbaijan's oil-fields, said Nadzhafov. He also added that the US lack objective information about Azerbaijan. "One has to take measures to provide the US with regular information about Azerbaijan", said Nadzhaf Nadzhafov.

Georgia

Shevardnadze Discusses Abkhazia, Ossetia Settlement

LD2706130894 Tbilisi Radio Tbilisi Network in Georgian 0559 GMT 27 Jun 94

[Interview with Georgian head of state Eduard Shevardnadze by correspondent Nato Oniani on 27 June; place not given—recorded]

[Text] [Oniani] Mr. Shevardnadze, we should probably start today's interview, as we have done for some time recently, once again by discussing events in Abkhazia and the peace process that began there last week following the Russian Federation Council's approval. The arrival of peacekeeping forces in west Georgian rayons was shown on television yesterday.

Be that as it may, Zhirinovskiy has appeared in Abkhazia. [sentence as heard] Gudauta is visited frequently by the military and diplomats, who can rarely be seen in Tbilisi. Does it all mean that the settlement of the Abkhaz problem is a result of relations between Russian and Abkhaz leaders? Has the Georgian leadership found itself left out?

[Shevardnadze] Thank you and good morning.

The peace process in Abkhazia has started, as planned, with a preparatory stage, the clearing of mines, concentration of peacekeeping forces, the setting up of checkpoints, road repairs, and so on. It can be said that the start has been normal so far. The population of Samegrelo and Zugdidi, as well as the people who remained in Gali, have welcomed the peacekeeping forces. However, it must be said that the main difficulties will start when large numbers of refugees enter Abkhazia, which is the task for the next few days.

In this connection, good organization is necessary on this Georgian side of the Inguri river. What I mean is that groups of refugees should be formed and the schedule for their return to Abkhazia be determined. There is a lot of organizational work to be done. A permanent government commission, information center, construction and repair authorities will operate in Zugdidi. Many of them

are already there. The prime minister, defense minister, their deputies, and almost all of the Council of Ministers of Abkhazia will work there. Mr. Jaba Ioseliani [chief Georgian negotiator with Abkhazia] is planning to go there tomorrow or on Wednesday. He has contacts with the military, which is very important. In a word, things are moving forward.

As regards the arrival of various political leaders, this is less worrying.

[Oniani, interrupting] For example, Russian Deputy Defense Minister Georgiy Kondratyev's visit cannot be less worrying, can it?

[Shevardnadze] Do you mean General Kondratyev?

[Oniani] Yes.

[Shevardnadze] Let us first speak about political leaders. This is less worrying. It is probably inevitable that leaders holding various ranks and views will arrive there. However, friends of both ours and the Abkhaz will come as well, which is more important. Their active involvement and assistance, including Russian parliament deputies' involvement and assistance, should certainly be taken positively. As Vladimir Shumeyko [chairman of the Federation Council] and others have told me, there are such plans.

As for Gen. Kondratyev, I must say that we are having businesslike contacts with him. Ioseliani and Sandro Kavsadze [Georgian negotiator with Abkhazia] have met him more than once. There is no need for him to visit Tbilisi now. If it becomes necessary, such a visit will be possible.

Talking about visits, I would like to recall the visit to Tbilisi earlier this month by Russian Defense Minister Pavel Grachev and a series of extremely productive talks that were held. As far as this and other issues are concerned, I think that we will soon witness an increase in Russian diplomatic activity.

In general, it must be said that both Russia and Georgia have without any doubt assumed historic responsibility. We should hope, we should be certain that all sides will rise to the occasion, to this historic occasion and honor their responsibility, not only to our peoples but also to the world.

As regards Tskhinvali, as you know, the Tskhinvali process began in Dagomys and has produced some positive results. Now it is time to get actively involved in the settlement of this conflict. The experience of Abkhazia and that of other peace processes will naturally be taken into consideration. I believe that the settlement of the Georgian-Ossetian conflict is not a matter to be solved in the remote future but is something to be dealt with soon. The start has not been bad. It has shown that both the Georgians and Ossetians are thirsty for peace. We are moving in this direction, and we are moving with resolve.

[Oniani] A section of the parliamentary opposition has become, so to say, especially active recently and is getting anxious over the issues of authority. Why do you think a parliamentary crisis has exacerbated at this stage? Why has it speeded up so intensely at this stage?

[Shevardnadze] The stepping up of activities by any opposition can be explained if viewed against the background of various trends. As for the aggression by a part of the opposition, which is not a considerable part of the opposition anyway—I can explain it by the fact that tendencies for stability in the country have been established and they [the opposition] are worried about it.

[Oniani] Batono [polite form of address in Georgian] Eduard, a meeting of foreign ministers of the member states of the Economic Cooperation of the Black Sea Basin Countries will start in Tbilisi in a few days. A year or two ago we could not have imagined holding an international meeting in Tbilisi. The reason why I am saying this is that there are signs that the criminal situation in the country is being stabilized. Last week, the Interior Ministry, together with the town's police department, carried out an operation—this time in Tbilisi—and the activity of the Interior Ministry is noticeable against the background of inactivity and endless promises by some establishments.

[Shevardnadze] The meeting of foreign ministers of the Black Sea Countries' Alliance—this is what I call it, is undoubtedly of paramount importance. I think that the activities [of the Black Sea basin countries] all the way through from the last meeting in Istanbul to Tbilisi will be summed up. Time has been long enough. There is a lot to be discussed and all the more to be done. I am sure that representatives of key member-states will arrive and work actively at the conference and participate in partnership. In itself, holding such a conference in Tbilisi can be possible only under the circumstances of stability, a certain stability. The fact that we are holding this conference will speed up the reinforcement of order and will step up the fight against reinforcing order. In this connection, words of gratitude must be spoken for the police, of course, in connection with the operation that has recently been carried out in Tbilisi. As we have touched upon the issue of the police, we are going to discuss this issue on 8 July when we will sum up the work done for the last six months and we will discuss all structures. Interesting suggestions will probably be voiced to the effect of reinforcing these good tendencies and setting new goals; but large-scale operations must be carried out in rayons, towns, and residential districts so that every family feels secure and safe and feels that they are protected by the state. I think that we are gradually getting there.

[Oniani] Because of the current economic crisis in Georgia, our population looks with hope at every visit abroad and at every meeting with representatives of financial circles. After your visit to the United States, no one was surprised by the recent visit to the United States by National Bank President Nodar Javakhishvili and

Deputy Prime Minister Teimuraz Basilia. You had a meeting with them yesterday. Is there anything in prospect that will alleviate our population's difficult conditions?

[Shevardnadze] Our cooperation with the World Bank and the IMF entered an active phase during my visit to Washington. There had been visits and meetings before but they had mainly been concerned with formalizing our membership of these organizations. We had productive talks with leaders of these two extremely important international economic and financial organizations. Both the World Bank and the IMF were represented at the talks by all their leaders. As a result of these talks, several delegations have visited Georgia and prepared recommendations for further progress in our relations and for arriving at specific decisions [as heard].

In my opinion, the recent visit by Basilia and Javakhishvili was undoubtedly productive. They are unanimous in Washington in stressing the importance of a stable political and criminal situation, which has recently taken shape in Georgia. If we continue our efforts to ensure stability, then we can hope to receive significant assistance roughly in the fall, or a little earlier. This assistance will serve as a certain factor and guarantee for financial stability in the country.

[Oniani] An important event happened last week. Russia joined the Partnership for Peace initiative. Fortunately, no one is surprised today by the fact that the country that constituted the core of the Warsaw Pact and was an irreconcilable ideological enemy of the United States, the entire capitalist world, and especially NATO, has joined this initiative. After events of recent years this no longer seems absurd. What is your assessment of this decision by Russia, especially taking into account the preparatory period that preceded this decision.

[Shevardnadze] I had an opportunity during our previous interviews to welcome statements in this regard by the Russian President Mr. Yeltsin and Defense Minister Grachev's assessment of his visit to Brussels. Now something that was meant to happen has happened, and Foreign Minister Andrey Kozyrev has signed a document making Russia part of this initiative. I again welcome Russia's joining this initiative. I believe that it was another step toward a new life and order in the post-communist world.

[Oniani] Thank you very much. You have been listening to Eduard Shevardnadze, the chairman of the Georgian Parliament and head of state.

Peacekeepers Enter Abkhazia 'Without Incidents'

LD2806122294 Moscow INTERFAX in English 1112 GMT 28 Jun 94

[Text] According to the Chief of the Russian Peace-Keeping Forces Headquarters, General Kozlov, the introduction of peace-keepers into Abhazia has been completed virtually "without incidents."

A Moscow-based Abkhazi spokesman told INTERFAX that 2500 Russian peacekeepers have taken up positions on both sides of the border between Abkhazia and Georgia. A total of 1400 paratroopers strong battalions are deployed in a 12-kilometer security zone. Two motorized infantry battalions from Adzharia are on the other side of the frontier.

Engineers from the Russian peace-keeping force in the area of the Georgian-Abkhaz conflict began to reconstruct the road bridge over the Inguri river in the evening of June 27. The river forms the dividing line between the two opposing sides. The press center of the peace-keeping force told INTERFAX that the bridge will be completely rebuilt within a week. Peace-keeping troops took control of the Inguri Power Station, the largest in Georgia.

Starting Monday a curfew has been announced in the security zone around the Inguri river from 22:00 to 6:00.

Shevardnadze Makes Changes in Defense Ministry

LD2706192394 Tbilisi First Program Television Network in Georgian 1600 GMT 27 Jun 94

[Text] In accordance with current structural changes in the Georgian Defense Ministry, by an edict of Eduard Shevardnadze, commander in chief of the Georgian Armed Forces, Major General Tamaz Dumbadze has been appointed a deputy defense minister responsible for emergency situations.

Defense Minister Lieutenant General Vardiko Nadibaidze ordered that Colonel Vladimer Imnadze be appointed the first deputy chief of the General Staff of the armed forces.

Gas Imports Reduced Due to Nonpayments

LD2806095594 Tbilisi Radio Tbilisi Network in Georgian 0805 GMT 28 Jun 94

[Text] Due to the nonpayment of a large debt for natural gas consumption and delivery, the supply of natural gas to the republic was reduced by 60 percent as of 27 June 1994.

Instead of receiving 7.5m cubic meters of gas a day, the republic will now be receiving 3.0m cubic meters. The Sakgazi Department will distribute this limited supply among vital installations in the republic, including Tbilisi power station, which will be receiving 1.0m cubic meters of gas a day, instead of the required 3.0m cubic meters.

All supplies of natural gas to eastern and western Georgian regions and to the Kartli and Kvemo Kartli zones will be stopped as of today.

As soon as the situation improves the Sakgazi Department will take measures to resume the normal supply of gas.

Preliminary Talks on Accord With EU

LD2706194294 Tbilisi First Program Television Network in Georgian 1600 GMT 27 Jun 94

[Excerpts] The press secretariat of the Georgian Foreign Ministry reports that preliminary talks on the preparation of a partnership and cooperation agreement between Georgia and the European Union [EU] were held in Brussels on 23 and 24 June. This document will define economic relations between Georgia and the EU and will be vivid evidence of the EU's intention to include Georgia in the European economic and banking system. The agreement will grant Georgia most favored nation treatment in trade.

The Georgian delegation at the meeting was headed by Mikheil Ukleba, first deputy foreign minister. [passage omitted]

The first round of negotiations between the Republic of Georgia and the EU will be held in September.

Communist Party Holds Congress; Member Dies

LD2506165194 Moscow INTERFAX in English 1510 GMT 25 Jun 94

[Text] The first constituent congress of the renewed Communist Party of Georgia was held on Saturday in Tbilisi.

While opening the congress, retired general Panteleimon Georgadze, leader of the party, declared that the aims of the communists "remain unchanged—creation of a free equal society and protection of the interests of the working people. We want to return achievements of socialism," he stressed.

While addressing the congress, Filipp Makharadze, veteran of Georgia' Communist Party and former director of Lenin's museum in Georgia, died just on the rostrum. However, this tragic incident has not interrupted the congress.

A representative of the Armenian communists who attended the congress declared that it "is a death worthy of a communist."

Communist Party Elects First Secretary

LD2706151294 Moscow ITAR-TASS in English 1417 GMT 27 Jun 94

[By GIA-ITAR-TASS]

[Tbilisi] June 27 TASS—The first congress of the joint Communist Party of Georgia brought together 550 delegates in Tbilisi.

Retired major general Panteleimon Giorgadze presided over the congress. He was elected first secretary of the joint Communist Party of Georgia by the delegates.

"Our aim is to be represented in parliament, and to become the country's ruling party. To achieve it, unification is necessary. Delegates from the Workers' Communist Party of Georgia, the Georgian Union of Communists, the "Stalin" political organization and a public organization called the International Society to Honour the Memory of Stalin participated in the congress. There are no differences in their standpoints, which enabled us to form a joint Communist Party," Giorgadze told GIA on Monday.

Paper Publishes Law on Parliamentary Factions

AU2806103194 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 16 Jun 94 p 2

["Republic of Georgia Law on a Parliamentary Faction"]

[Text] **Article 1.** A parliamentary faction (henceforth faction) is a voluntary association that is created by members of Parliament in accordance with common political views.

It is impermissible for a group of members of Parliament to form such a faction that is aimed at protecting personal, professional, or local interests.

Article 2. At least 10 members of Parliament whose powers are known to Parliament have the right to create a faction.

A member of Parliament can join only one faction.

Article 3. The powers of a faction are determined by this law and by the rules of the Georgian Parliament and other Republic of Georgia laws.

A faction acquires the powers conferred upon it by this law and by the rules of the Georgian Parliament and other Republic of Georgia laws as soon as it is registered.

Article 4. In order to register a faction, the faction's chairman submits an application to the speaker of Parliament.

The official name of the faction and the identity of the faction's chairman and other leading figures and its members are to be given in the application.

The application is to be accompanied by the political platform and rules of the parliamentary faction.

The speaker of Parliament will present these documents to the next session of the Georgian Parliament collegium, which decides the question of the faction's registration.

Members of Parliament whose request to have a parliamentary faction registered has been refused have the right to voice their protest against such a decision before Parliament, whose ruling is final.

Information on the registration of a parliamentary faction and the text of the faction's founding documents

will be published in the "Bulletin of the Georgian Parliament" and communicated to Parliament.

Article 5. A parliamentary faction is empowered:

a) Through its representatives, to participate in the work of Parliament commissions and the Parliament collegium;

b) To demand the creation of a temporary commission;

c) To demand the holding of a vote by roll-call;

d) To publish its viewpoints in Parliament's press organ;

e) To implement the rights conferred upon it by this law and by the rules of the Georgian Parliament and other Republic of Georgia laws.

Article 6. In accordance with this law and Georgian Parliament and Republic of Georgia laws, questions pertaining to a faction's internal organization are to be settled according to the faction's rules.

Article 7. A member of Parliament has the right to leave a faction at any time; he is to inform the faction's chairman and the speaker of Parliament of this in writing.

A faction can expel a member of Parliament from the faction in those cases provided for in its rules; it is to inform the speaker of Parliament of this.

A faction has the right to accept a new member into its ranks; it is to inform the speaker of Parliament of this. This information is to be accompanied by a declaration from the member of Parliament.

A faction whose total membership falls below 10 following changes to its composition will be viewed as having been dissolved unless the total number of members reaches the norm established in the first paragraph of Article 2 of this law within two weeks.

Article 8. The faction is to inform the speaker of Parliament within three days of the dismissal, reelection, retirement, or election of the faction's chairman and its other leading figures and the introduction of amendments to the faction's founding documents.

Article 9. Information on changes stipulated in Articles 7 and 8 of this law is to be communicated to Parliament and published in the "Bulletin of the Georgian Parliament."

Article 10. All documents distributed by a faction in Parliament are to bear the signature of the faction's leading figures.

Article 11. A member of a faction who does not share the faction's position on whatever question has the right to express his particular view.

Article 12. The appropriate conditions are to be created for a faction's activities.

A faction is to be allocated the appropriate space in the assembly hall and a working area in the Parliament building.

A faction's activities are to be ensured by the faction's apparatus whose organization, staff number, and conditions of remuneration are determined by Parliament.

A faction is to take advantage of the services of Parliament's auxiliary bodies.

Article 13. The number of representatives of a faction in parliamentary bodies is determined, as a rule, in proportion to the number of members of Parliament within the faction unless otherwise stipulated in legislation.

Article 14. Factions have the right to unite to form a parliamentary coalition.

Parliament is to be informed of the creation of a parliamentary coalition at the next plenary session. The coalition's activities are regulated in accordance with its internal rules.

[Signed] **Eduard Shevardnadze, chairman of the Georgian Parliament-head of state.**

Vakhtang Goguadze,speaker of the Georgian Parliament.

Tbilisi, 2 June 1994.

Estonia

President Postpones Decision on Defense Minister

WS2806091494 Tallinn BNS in English 1822 GMT 27 Jun 94

[Excerpt] Tallinn, June 27, BNS—Estonian President Lennart Meri today approved the nominations of Andres Lipstok as finance minister and Peeter Olesk as the minister of culture and education. But the president still left it open whether or not he will approve of the prime minister's nomination of Enn Tupp for the post of the defense minister.

Officials at the presidential chancellery were unable to say why the president had postponed his decision about Tupp's nomination. According to the Estonian laws, the president must announce his decision Tuesday at the latest. [passage omitted]

CSCE Mission To Extend Mandate by 6 Months

WS2806092994 Tallinn ETA in English 0653 GMT 28 Jun 94

[From the 28 Jun EESTI SENUMID, p.3; "News Bulletin" No. 122/94]

[Text] The CSCE permanent committee in Vienna will extend the mandate of the CSCE mission in Estonia by six months from July 1. Representatives of several countries pointed out that the mission should also pay more attention to the monitoring of the Russian troops withdrawal, the Foreign Ministry press service announced.

The Estonian delegation to the CSCE permanent committee also started a discussion of the Estonian-Russian border issue in connection with the Russian presidential decree on the unilateral marking of the border line. The delegation stressed that border issues must be settled via bilateral negotiations, according to the CSCE principles and other international standards. No resolution was passed due to lack of consensus on the issue.

Foreign Trade Deficit Declines in May

WS2806092894 Tallinn BNS in English 1507 GMT 27 Jun 94

[Text] Tallinn, June 27, BNS—According to customs statistics, Estonia exported 1,496.9 million kroons worth of goods and commodities in May, while its imports for the same month amounted to 1,750.7 million kroons.

Imports in May exceeded exports by 253.7 million kroons. Estonia's foreign trade deficit declined by 179.1 million kroons when compared with April.

Exports went up by 202.9 million kroons, and imports by 23.9 million kroons in one month from April.

The country received 11.9 million kroons worth of humanitarian aid in May, which accounted for 0.7 percent of the imports. The respective figure for April was 21.4 million kroons, or 1.2 percent of the imports.

Temporary exports under the condition of obligatory re-import made up 1.8 percent of the country's total exports in May. Re- export made up 25.3 percent of the total. Temporary imports made up 18.3 percent of the total imports, and re-imports, 0.8 percent.

The country traded in May with partners in 81 nations and brought in a positive balance with 44 of them.

Estonia's major trade partners and their share of total turnover in May were as follows (figures for April given in parentheses):

	percent of total export		percent of total import
Russia	25.0 (21.0)	Finland	39.6 (35.9)
Finland	20.0 (21.8)	Russia	12.9 (16.9)
Sweden	11.8 (13.2)	Sweden	10.2 (8.9)
Latvia	7.0 (7.6)	Germany	9.2 (8.6)
Germany	6.5 (5.5)	Netherlands	3.2 (3.3)
Lithuania	4.1 (6.6)	Lithuania	2.6 (2.5)

The biggest one-month increase was reported in exports to Russia, by 102.5 million kroons, and in imports from Finland, by 73.5 million kroons. Export to Lithuania went down by 24.1 million kroons. Imports from Russia decreased by 66.8 million kroons, from Denmark, by 19 million kroons, and from Lithuania, by 13 million kroons.

The major groups of goods exported and imported in May were as follows (the figures for April are in parentheses):

	percent of export
agricultural produce	22.1 (19.0)
timber, wood products	12.0 (11.8)
non-precious metals	9.2 (10.9)
clothes	8.9 (8.4)
vehicles	7.8 (7.9)
	percent of import
agricultural produce	15.3 (15.9)
equipment	10.4 (10.1)
electrical machines	10.1 (7.8)
vehicles	9.7 (10.8)
mineral fuel, oil	8.9 (11.9)

The customs statistics cover the goods that are declared on the border. They don't include data on the export and import of foreign cash, electricity and gas.

New 'Liberals' Party Registered

WS2806095394 Tallinn ETA in English 0653 GMT 28 Jun 94

[From "News Bulletin" No. 122/94]

[Text] The governing body of parliament registered a new party "Liberals" during it's yesterday's meeting. The members of the new party are Paul-Eerik Rummo (chairman), Tiit Kubin (vice-chairman), Lauri Einer, Heiki Kranich, Aap Neljas and Juri Peld, announced the press.

Latvia

President, Government To Review Citizenship Law

LD2806101194 Moscow RIA in English 0834 GMT 28 Jun 94

[Text] Riga, June 28, RIA—Latvia's President Guntis Ulmanis and the government of that Baltic republic have agreed to return the citizenship law, passed by the Latvian parliament on June 21, to the legislature for amendment, Latvian Prime Minister Valdis Birkavs said in a televised statement on night. "We shall not allow the Latvian people to perish because of the citizenship law," he said. "We shall not allow this law to bar our way to Europe, the only place where Latvia can survive."

A special working group has been formed to amend the act. According to Mr. Birkavs, it is working on the formulas that will make Latvia's national interests compatible with the requirements of international organisations, especially the Council of Europe. The principle of quotas in granting citizenship is expected to be replaced by some other conditions for naturalisation. Specifically, the prime minister said that harsher language requirements will be made to the claimants for Latvian citizenship and a strict procedure will be established for naturalisation of non-citizens.

The amendments worked out by the working group will be submitted to the parliament, which is on holiday since june 23 and is expected to resume its sessions right after U.S. President Bill Clinton's visit to Latvia on July 6.

President To Announce Stand 28 Jun

WS2706143894 Tallinn BNS in English 1210 GMT 27 Jun 94

[Excerpt] Riga, Jun 27, BNS—Latvian President Guntis Ulmanis plans to declare at 1400 on Tuesday at a press briefing if he will announce or not the citizenship law, and say about his stand in changing of customs tariffs, President's Office told BNS.

During his meeting with Aluksne inhabitants on Saturday, Ulmanis admitted that the citizenship law could be sent for repeated parliament consideration.

"I will ask the parliament to consider the citizenship law one more time so that the interests of the Latvian people as well as international norms were observed in it," said Ulmanis.

As reported, the Cabinet called the president not to announce the citizenship law, adopted on June 21, but send it for repeated parliament consideration. The law's article No. 14 provides for the quota principle that allows to naturalize each year a number of citizens equal to 0.1 percent of the body of citizens, starting with the year 2000.

The naturalization quota principle endangers Latvia's enrollment in the Council of Europe [CE] and the very negotiations on the granting the CE associate member status to the Baltic country, and that poses a threat to Latvia's further integration into the European Union, according to the government statement. The quota principle also complicates Latvia's entrance into European collective security structures, the statement read. [passage omitted]

Citizenship Bill To Be Discussed at European Council

LD2706152694 Riga Radio Riga Network in Russian 1400 GMT 27 Jun 94

[Text] A permanent Latvian delegation today left for the Parliamentary Assembly of the Council of Europe [PACE] to familiarize representatives of PACE with problems related to the process of passing the citizenship bill.

A member of the delegation, Aleksandrs Kirsteins, the chairman of the parliamentary group Latvian National Independence Movement, told journalists that these issues would be discussed in political groups of the Council of Europe and PACE commissions, as well as during the course of unofficial meetings with representatives of the EC leadership.

Lithuania

Landsbergis on Military Transit Agreement With Russia

WS2806095594 Vilnius ELTA in English 1911 GMT 27 Jun 94

[From "News Bulletin" No. 530]

[Text] Vilnius, June 27, ELTA—Opposition leader Vytautas Landsbergis made a statement on the Lithuanian-Russian agreement on military transit.

Landsbergis claimed in his statement that "during the recent days some governmental statements on Russian military transit via Lithuania have caused great concerns".

Head of negotiation group Bulovas said that the agreement which had been proposed by Russia could be

signed after two weeks when Lithuania established transit rules for dangerous and military cargoes.

According to the statement, "President thinks that transits for all partners should be legalized as soon as possible. As I can see no logics in such statements, they possibly include something that should be known by Lithuanian people before our country finds itself entangled into the Russian military system".

"Lithuanian labour democratic party has no mandate to condemn the whole nation", Landsbergis said.

Armed Forces Spring Conscription Campaign Detailed

WS2806092294 Tallinn BNS in English 1822 GMT 27 Jun 94

[Text] Vilnius, Jun 27, BNS—2,800 men have been called up for mandatory service in the Lithuanian armed forces during this year's spring conscription.

Of all recruits who reported to medical boards, only 42 percent were pronounced fit for military service, which is slightly more than last year.

More than 6,500 recruits did not report to call-up commissions. Approximately one-third of the number will have to pay fines of 118 lits ($30). Action will be brought against 30 persons, who may face up to 2 years in prison for evading military service.

But the number of persons dodging military service decreased from 50 percent in 1993 to 38 percent this year. The level of education of recruits decreased, as well, with less than a half of this year's rookies being high school graduates.

Preliminary Free Trade Accord With EU Signed in Brussels

WS2806091994 Tallinn BNS in English 1822 GMT 27 Jun 94

[Text] Vilnius, Jun 27, BNS—The European Union [EU] and Lithuania sign a preliminary free trade accord in Brussels Monday.

The agreement was initialed by Dalia Grybauskaite, director of the Lithuanian Foreign Ministry's Economics Division, and Daniel Gugenbul, who heads the EU's talks with Eastern and Central European countries. The procedure started at 1700 Belgian time and lasted for quite a while because each of the agreement's 300 pages had to be signed in two copies, Grybauskaite said.

After initialing, the accord cannot be changed. The agreement is likely to be signed in early October and would come into force Jan. 1.

Lithuania became the second Baltic state to initial a free trade agreement with the EU. Latvia concluded a similar deal last week. Negotiations with Estonia are nearing completion.

Opinion Poll Shows Loss of Support for Leaders

WS2806092194 Tallinn BNS in English 1822 GMT 27 Jun 94

[Text] Vilnius, Jun 27, BNS—Lithuanian President Algirdas Brazauskas' popularity rating increased by 2 percent in June after a sharp drop in May, according to the results of a public opinion poll conducted June 8-15 by the British-Lithuanian Baltic Surveys.

But the survey indicates that Lithuanians continue to lose confidence in nearly all other political leaders, with the exception of the chairman of the opposition Conservative Party's board, Gediminas Vagnorius, whose rating jumped by 5 percent. Vagnorius is now ahead of Prime Minister Adolfas Slezevicius and the Conservative Party leader, Vytautas Landsbergis.

Centrists Egidijus Bickauskas and Romualdas Ozolas retained second and third positions. Like earlier, the popularity lists ends with Foreign Minister Povilas Gylys, even though his popularity went up by 1 percent.

According to the results, the most popular politicians in June were:

Algirdas Brazauskas	55 percent	(+2)
Egidijus Bickauskas	49	(0)
Romualdas Ozolas	43	(+1)
Gediminas Vagnorius	34	(+5)
Vytautas Landsbergis	34	(0)
Adolfas Slezevicius	28	(-3)
Ceslovas Jursenas	37	(-3)
Aloyzas Sakalas	26	(0)
Algirdas Saudargas	23	(-3)
Povilas Gylys	19	(+1)

Daily Newspaper TIESA To Change Name to DIENA

WS2806092094 Tallinn BNS in English 1822 GMT 27 Jun 94

[Text] Vilnius, Jun 27, BNS—Lithuania's leftist daily TIESA (Truth) will change its name to DIENA (Day) July 1.

The newspaper's editor in chief, Domas Sniukas, said the decision to change the name was made by the board of the closed joint-stock company Tiesa. "Some supported and some were against the decision," Sniukas said.

TIESA was founded in 1917 as a communist paper. During post-war years it was the official newspaper of the Lithuanian Communist Party and was "reorganized" in 1990.

The newspaper represents the interests of the ruling Lithuanian Democratic Labor Party. TIESA, with its daily circulation of 30,000, is the fourth biggest newspaper in Lithuania. It will have 24 pages starting July 1.

Sniukas said the paper will become livelier and popular with "more non-politics and non-economics." Professional skills of the 30-member staff is still the newspaper's main problem, he said.

In Sniukas' words, the daily will now pay more attention to sale but not subscription.

Homeland Union Delivers Letter to President on Selling Land

WS2806095494 Vilnius ELTA in English 1911 GMT 27 Jun 94

[From "News Bulletin" No. 530]

[Text] Vilnius, June 27, ELTA—Seimas faction of Homeland's Union delivered a letter to Lithuanian President Algirdas Brazauskas with the request for Brazauskas to appeal to the Constitutional Court to prevent the resolution of the government on selling private land.

The government made the resolution on selling private land in March, and Homeland's Union refused to agree with it.

According to the resolution, the boards of the districts were commissioned until August 1 to register permissions to buy 2-3 hectare lots for those who would submit requests until July 1.

Monitor of Homeland's Union Andrius Kubilius told a news conference that this resolution violated the Constitution. "The resolution denies the rights to the property of the former landowners", Kubilius maintained.

He also reminded that the state could not sell out 2-3 hectare lots because it was not the owner of the land. The state had not bought the land from the owners. The law to allot 2-3 hectare lots for a certain category of people was passed by the Lithuanian Supreme Council in 1990. However, leaders of the opposition claimed that most of the lots were allotted illegally.